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AN

INQUIRY

INTO THE

Nature and Cauſes

OF THE

WEALTH OF NATIONS.

VOL. II.

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Wm Strickland

AN

INQUIRY

INTO THE

Nature and Cauſes

OF THE

WEALTH OF NATIONS.

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The Reader is desired to correct with his Pen the two following ERRATA, which in this Second Volume affect the Sense.

Page 467, Line 6, counting from the Bottom; instead of *immoveable*, read *moveable*.

Page 488, Lines 3 and 4, counting from the Top; instead of *three shillings a bushel*, read *three shillings and four-pence a bushel*.

133 48
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First edition

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AN

INQUIRY

INTO THE

NATURE AND CAUSES

OF THE

WEALTH OF NATIONS.

BOOK IV.

Of Syſtems of political Oeconomy.

INTRODUCTION.

POLITICAL œconomy, conſidered as a branch of the ſcience of a ſtateſman or legiſlator, propoſes two diſtinct objects; firſt, to provide a plentiful revenue or ſubſiſtence for the people, or more properly to enable them to provide ſuch a revenue or ſubſiſtence for themſelves; and ſecondly, to ſupply the ſtate or commonwealth with a revenue ſufficient for the publick ſervices. It propoſes to enrich both the people and the ſovereign.

BOOK IV. Introduction.

THE different progreſs of opulence in different ages and nations, has given occaſion to two different ſyſtems of political œconomy, with regard to enriching the people. The one may be called the ſyſtem of commerce, the other that of agriculture. I ſhall endeavour to explain both as fully and diſtinctly as I can, and ſhall begin with the ſyſtem of commerce. It is the modern ſyſtem, and is beſt underſtood in our own country and in our own times.

CHAP. I.

Of the Principle of the commercial, or mercantile Syſtem.

BOOK IV.

THAT wealth conſiſts in money, or in gold and ſilver, is a popular notion which naturally ariſes from the double function of money, as the inſtrument of commerce, and as the meaſure of value. In conſequence of its being the inſtrument of commerce, when we have money we can more readily obtain whatever elſe we have occaſion for, than by means of any other commodity. The great affair, we always find, is to get money. When that is obtained, there is no difficulty in making any ſubſequent purchaſe. In conſequence of its being the meaſure of value, we eſtimate that of all other commodities by the quantity of money which they will exchange for. We ſay of a rich man that he is worth a great deal, and of a poor man that he is worth very little money. A frugal man, or a man eager to be rich, is ſaid to love money; and a careleſs, a generous, or a profuſe man, is ſaid to be indifferent about it. To grow rich is to get money; and wealth and money, in ſhort, are in common language conſidered as in every reſpect ſynonymous.

A RICH country, in the ſame manner as a rich man, is ſuppoſed to be a country abounding in money; and to heap up gold and ſilver in any country is ſuppoſed to be the readieſt way to enrich it. For ſome time after the diſcovery of America, the firſt enquiry of the Spaniards, when they arrived upon any unknown coaſt, uſed to be, if there was any gold or ſilver to be found in the neighbourhood. By the information which they received, they judged whether it was worth while to make a ſettlement there, or if the country was worth the conquering. Plano Carpino, a monk

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ſent ambaſſador from the king of France to one of the ſons of the famous Gengis Khan, ſays that the Tartars uſed frequently to aſk him if there was plenty of ſheep and oxen in the kingdom of France. Their enquiry had the ſame object with that of the Spaniards. They wanted to know if the country was rich enough to be worth the conquering. Among the Tartars, as among all other nations of ſhepherds, who are generally ignorant of the uſe of money, cattle are the inſtruments of commerce and the meaſures of value. Wealth, therefore, according to them, conſiſted in cattle, as according to the Spaniards it conſiſted in gold and ſilver. Of the two, the Tartar notion, perhaps, was the neareſt to the truth.

Mr. Locke remarks a diſtinction between money and other moveable goods. All other moveable goods, he ſays, are of ſo conſumable a nature that the wealth which conſiſts in them cannot be much depended on, and a nation which abounds in them one year may, without any exportation, but merely by their own waſte and extravagance, be in great want of them the next. Money, on the contrary, is a ſteady friend, which, though it may travel about from hand to hand, yet, if it can be kept from going out of the country, is not very liable to be waſted and conſumed. Gold and ſilver, therefore, are, according to him, the moſt ſolid and ſubſtantial part of the moveable wealth of a nation, and to multiply thoſe metals ought, he thinks, upon that account, to be the great object of its political œconomy.

Others admit that if a nation could be ſeparated from all the world, it would be of no conſequence how much, or how little money circulated in it. The conſumable goods which were circulated by means of this money, would only be exchanged for a greater or a ſmaller number of pieces; but the real wealth or

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poverty of the country, they allow, would depend altogether upon the abundance or ſcarcity of thoſe conſumable goods. But it is otherwiſe, they think, with countries which have connections with foreign nations, and which are obliged to carry on foreign wars, and to maintain fleets and armies in diſtant countries. This, they ſay, cannot be done, but by ſending abroad money to pay them with; and a nation cannot ſend much money abroad, unleſs it has a good deal at home. Every ſuch nation, therefore, muſt endeavour in time of peace to accumulate gold and ſilver, that, when occaſion requires, it may have wherewithal to carry on foreign wars.

In conſequence of theſe popular notions, all the different nations of Europe have ſtudied, though to little purpoſe, every poſſible means of accumulating gold and ſilver in their reſpective countries. Spain and Portugal, the proprietors of the principal mines which ſupply Europe with thoſe metals, have either prohibited their exportation under the ſevereſt penalties, or ſubjected it to a conſiderable duty. The like prohibition ſeems antiently to have made a part of the policy of moſt other European nations. It is even to be found, where we ſhould expect leaſt of all to find it, in ſome old Scotch acts of parliament, which forbid under heavy penalties the carrying gold or ſilver *forth of the kingdom*. The like policy antiently took place both in France and England.

When thoſe countries became commercial, the merchants found this prohibition, upon many occaſions, extreamly inconvenient. They could frequently buy more advantageouſly with gold and ſilver than with any other commodity, the foreign goods which they wanted either to import into their own, or to carry to ſome other foreign country. They remonſtrated, therefore, againſt this prohibition as hurtful to trade.

They

They repreſented, firſt, that the exportation of gold and ſilver in order to purchaſe foreign goods, did not always diminiſh the quantity of thoſe metals in the kingdom. That, on the contrary, it might frequently increaſe it; becauſe if the conſumption of foreign goods was not thereby increaſed in the country, thoſe goods might be re-exported to foreign countries, and being there ſold for a large profit, might bring back much more treaſure than was originally ſent out to purchaſe them. Mr. Mun compares this operation of foreign trade to the ſeed time and harveſt of agriculture. "If we only behold," ſays he, "the actions of "the huſbandman in the ſeed time when he caſteth away much "good corn into the ground, we ſhall account him rather a madman "than a huſbandman. But when we conſider his labours in "the harveſt, which is the end of his endeavours, we ſhall find "the worth and plentiful increaſe of his actions."

They repreſented, ſecondly, that this prohibition could not hinder the exportation of gold and ſilver, which, on account of the ſmallneſs of their bulk in proportion to their value, could eaſily be ſmuggled abroad. That this exportation could only be prevented by a proper attention to, what they called, the balance of trade. That when the country exported to a greater value than it imported, a balance became due to it from foreign nations, which was neceſſarily paid to it in gold and ſilver, and thereby increaſed the quantity of thoſe metals in the kingdom. But that when it imported to a greater value than it exported, a contrary balance became due to foreign nations, which was neceſſarily paid to them in the ſame manner, and thereby diminiſhed that quantity. That in this caſe to prohibit the exportation of thoſe metals could not prevent it, but only, by making it more dangerous, render it more expenſive. That the exchange was thereby turned more againſt the country which owed the balance, than it otherwiſe might have been; the merchant who purchaſed a bill upon the foreign country being obliged

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obliged to pay the banker who ſold it, not only for the natural riſk, trouble and expence of ſending the money thither, but for the extraordinary riſk ariſing from the prohibition. But that the more the exchange was againſt any country, the more the balance of trade became neceſſarily againſt it; the money of that country becoming neceſſarily of ſo much leſs value, in compariſon with that of the country to which the balance was due. That if the exchange between England and Holland, for example, was five per cent. againſt England, it would require a hundred and five ounces of ſilver in England to purchaſe a bill for a hundred ounces of ſilver in Holland: that a hundred and five ounces of ſilver in England, therefore, would be worth only a hundred ounces of ſilver in Holland, and would purchaſe only a proportionable quantity of Dutch goods: but that a hundred ounces of ſilver in Holland, on the contrary, would be worth a hundred and five ounces in England, and would purchaſe a proportionable quantity of Engliſh goods: That the Engliſh goods which were ſold to Holland would be ſold ſo much cheaper; and the Dutch goods which were ſold to England, ſo much dearer, by the difference of the exchange; that the one would draw ſo much leſs Dutch money to England, and the other ſo much more Engliſh money to Holland, as this difference amounted to: and that the balance of trade, therefore, would neceſſarily be ſo much more againſt England, and would require a greater balance of gold and ſilver to be exported to Holland.

Those arguments were partly ſolid and partly ſophiſtical. They were ſolid ſo far as they aſſerted that the exportation of gold and ſilver in trade might frequently be advantageous to the country. They were ſolid too in aſſerting that no prohibition could prevent their exportation, when private people found any advantage in exporting them. But they were ſophiſtical in ſuppoſing, that either

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to preſerve or to augment the quantity of thoſe metals required more the attention of government, than to preſerve or to augment the quantity of any other uſeful commodities, which the freedom of trade, without any ſuch attention, never fails to ſupply in the proper quantity. They were ſophiſtical too, perhaps, in aſſerting that the high price of exchange neceſſarily increaſed, what they called, the unfavourable balance of trade, or occaſioned the exportation of a greater quantity of gold and ſilver. That high price, indeed, was extremely diſadvantageous to the merchants who had any money to pay in foreign countries. They paid ſo much dearer for the bills which their bankers granted them upon thoſe countries. But though the riſk ariſing from the prohibition might occaſion ſome extraordinary expence to the bankers, it would not neceſſarily carry any more money out of the country. This expence would generally be all laid out in the country, in ſmuggling the money out of it, and could ſeldom occaſion the exportation of a ſingle ſix-pence beyond the preciſe ſum drawn for. The high price of exchange too would naturally diſpoſe the merchants to endeavour to make their exports nearly balance their imports, in order that they might have this high exchange to pay upon as ſmall a ſum as poſſible. The high price of exchange, therefore, would tend, not to increaſe, but to diminiſh, what they called, the unfavourable balance of trade, and conſequently the exportation of gold and ſilver.

Such as they were, however, thoſe arguments convinced the people to whom they were addreſſed. They were addreſſed by merchants to parliaments, and to the councils of princes, to nobles and to country gentlemen; by thoſe who were ſuppoſed to underſtand trade, to thoſe who were conſcious to themſelves that they knew nothing about the matter. That foreign trade enriched the country, experience demonſtrated to the nobles and country

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gentlemen, as well as to the merchants; but how, or in what manner, none of them well knew. The merchants knew perfectly in what manner it enriched themſelves. It was their buſineſs to know it. But to know in what manner it enriched the country, was no part of their buſineſs. This ſubject never came into their conſideration, but when they had occaſion to apply to their country for ſome change in the laws relating to foreign trade. It then became neceſſary to ſay ſomething about the beneficial effects of foreign trade, and the manner in which thoſe effects were obſtructed by the laws as they then ſtood. To the judges who were to decide the buſineſs, it appeared a moſt ſatisfactory account of the matter, when they were told that foreign trade brought money into the country, but that the laws in queſtion hindered it from bringing ſo much as it otherwiſe would do. Thoſe arguments therefore produced the wiſhed-for effect. The prohibition of exporting gold and ſilver was in France and England confined to the coin of thoſe reſpective countries. The exportation of foreign coin and of bullion was made free. In Holland, and in ſome other places, this liberty was extended even to the coin of the country. The attention of government was turned away from guarding againſt the exportation of gold and ſilver, to watch over the balance of trade, as the only cauſe which could occaſion any augmentation or diminution of thoſe metals. From one fruitleſs care it was turned away to another care much more intricate, much more embarraſſing, and juſt equally fruitleſs. The title of Mun's book, England's Treaſure in Foreign Trade, became a fundamental maxim in the political œconomy, not of England only, but of all other commercial countries. The inland or home trade, the moſt important of all, the trade in which an equal capital affords the greateſt revenue and creates the greateſt employment to the people of the country, was conſidered as ſubſidiary only to foreign trade. It neither brought money into the country, it was ſaid, nor carried any out of it.

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The country therefore could never become either richer or poorer by means of it, except ſo far as its proſperity or decay might indirectly influence the ſtate of foreign trade.

A COUNTRY that has no mines of its own muſt undoubtedly draw its gold and ſilver from foreign countries, in the ſame manner as one that has no vineyards of its own muſt draw its wines. It does not ſeem neceſſary, however, that the attention of government ſhould be more turned towards the one than towards the other object. A country that has wherewithal to buy wine, will always get the wine which it has occaſion for; and a country that has wherewithal to buy gold and ſilver, will never be in want of thoſe metals. They are to be bought for a certain price like all other commodities, and as they are the price of all other commodities, ſo all other commodities are the price of thoſe metals. We truſt with perfect ſecurity that the freedom of trade, without any attention of government, will always ſupply us with the wine which we have occaſion for: and we may truſt with equal ſecurity that it will always ſupply us with all the gold and ſilver which we can afford to purchaſe or to employ, either in circulating our commodities or in other uſes.

THE quantity of every commodity which human induſtry can either purchaſe or produce, naturally regulates itſelf in every country according to the effectual demand, or according to the demand of thoſe who are willing to pay the whole rent, labour, and profits which muſt be paid in order to prepare and bring it to market. But no commodities regulate themſelves more eaſily or more exactly according to this effectual demand than gold and ſilver; becauſe on account of the ſmall bulk and great value of thoſe metals, no commodities can be more eaſily tranſported from one place to another, from the places where they are cheap, to thoſe where they are dear, from the

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places where they exceed, to thoſe where they fall ſhort of this effectual demand. If there was in England, for example, an effectual demand for an additional quantity of gold, a packet-boat could bring from Liſbon, or from wherever elſe it was to be had, fifty tuns of gold, which could be coined into more than five millions of guineas. But if there was an effectual demand for grain to the ſame value, to import it would require, at five guineas a tun, a million of tuns of ſhipping, or a thouſand ſhips of a thouſand tuns each. The navy of England would not be ſufficient.

When the quantity of gold and ſilver imported into any country exceeds the effectual demand, no vigilance of government can prevent their exportation. All the ſanguinary laws of Spain and Portugal are not able to keep their gold and ſilver at home. The continual importations from Peru and Brazil exceed the effectual demand of thoſe countries, and ſink the price of thoſe metals there below that in the neighbouring countries. If, on the contrary, in any particular country their quantity fell ſhort of the effectual demand, ſo as to raiſe their price above that in the neighbouring countries, the government would have no occaſion to take any pains to import them. If it was even to take pains to prevent their importation, it would not be able to effectuate it. Thoſe metals, when the Spartans had got wherewithal to purchaſe them, broke through all the barriers which the laws of Lycurgus oppoſed to their entrance into Lacedemon. All the ſanguinary laws of the cuſtoms, are not able to prevent the importation of the teas of the Dutch and Gottenburg Eaſt India companies; becauſe ſomewhat cheaper than thoſe of the Britiſh company. A pound of tea, however, is about a hundred times the bulk of one of the higheſt prices, ſixteen ſhillings, that is commonly paid for it in ſilver, and more than two thouſand times the bulk of the

ſame price in gold, and conſequently juſt ſo many times more difficult to ſmuggle.

It is partly owing to the eaſy tranſportation of gold and ſilver from the places where they abound to thoſe where they are wanted, that the price of thoſe metals does not fluctuate continually like that of the greater part of other commodities, which are hindered by their bulk from ſhifting their ſituation, when the market happens to be either over or underſtocked with them. The price of thoſe metals, indeed, is not altogether exempted from variation, but the changes to which it is liable are generally ſlow, gradual, and uniform. In Europe, for example, it is ſuppoſed, without much foundation perhaps, that, during the courſe of the preſent and preceeding century, they have been conſtantly but gradually ſinking in their value, on account of the continual importations from the Spaniſh Weſt Indies. But to make any ſudden change in the price of gold and ſilver, ſo as to raiſe or lower at once, ſenſibly and remarkably, the money price of all other commodities, requires ſuch a revolution in commerce as that occaſioned by the diſcovery of America.

If notwithſtanding all this, gold and ſilver ſhould at any time fall ſhort in a country which has wherewithal to purchaſe them, there are more expedients for ſupplying their place, than that of almoſt any other commodity. If the materials of manufacture are wanted, induſtry muſt ſtop. If proviſions are wanted, the people muſt ſtarve. But if money is wanted, barter will ſupply its place, though with a good deal of inconveniency. Buying and ſelling upon credit, and the different dealers compenſating their credits with one another, once a month or once a year, will ſupply it with leſs inconveniency. A well regulated paper money will ſupply it, not only without any inconveniency, but with very

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great advantages. Upon every account, therefore, the attention of government never was ſo unneceſſarily employed, as when directed to watch over the preſervation or increaſe of the quantity of money in any country.

No complaint, however, is more common than that of a ſcarcity of money. Money, like wine, muſt always be ſcarce with thoſe who have neither wherewithal to buy it, nor credit to borrow it. Thoſe who have either, will ſeldom be in want either of the money, or of the wine which they have occaſion for. This complaint, however, of the ſcarcity of money, is not always confined to improvident ſpendthrifts. It is ſometimes general through a whole mercantile town, and the country in its neighbourhood. Overtrading is the common cauſe of it. Sober men, whoſe projects have been diſproportioned to their capitals, are as likely to have neither wherewithal to buy money, nor credit to borrow it, as prodigals whoſe expence has been diſproportioned to their revenue. Before their projects can be brought to bear, their ſtock is gone, and their credit with it. They run about everywhere to borrow money, and every body tells them that they have none to lend. Even ſuch general complaints of the ſcarcity of money do not always prove that the uſual number of gold and ſilver pieces are not circulating in the country, but that many people want thoſe pieces who have nothing to give for them. When the profits of trade happen to be greater than ordinary, overtrading becomes a general error both among great and ſmall dealers. They do not always ſend more money abroad than uſual, but they buy upon credit both at home and abroad, an unuſual quantity of goods, which they ſend to ſome diſtant market, in hopes that the returns will come in before the demand for payment. The demand comes before the returns, and they have nothing at hand, with which they can either purchaſe money, or give ſolid ſecurity for borrowing. It is not any-

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ſcarcity of gold and ſilver, but the difficulty which ſuch people find in borrowing, and which their creditors find in getting payment, that occaſions the general complaint of the ſcarcity of money.

It would be too ridiculous to go about ſeriouſly to prove, that wealth does not conſiſt in money, or in gold and ſilver; but in what money purchaſes, and is valuable only for purchaſing. Money, no doubt, makes always a part of the national capital; but it has already been ſhown that it generally makes but a ſmall part, and always the moſt unprofitable part of it.

It is not becauſe wealth conſiſts more eſſentially in money than in goods, that the merchant finds it generally more eaſy to buy goods with money, than to buy money with goods; but becauſe money is the known and eſtabliſhed inſtrument of commerce, for which every thing is readily given in exchange, but which is not always with equal readineſs to be got in exchange for every thing. The greater part of goods beſides are more periſhable than money, and he may frequently ſuſtain a much greater loſs by keeping them. When his goods are upon hand too, he is more liable to ſuch demands for money as he may not be able to anſwer, than when he has got their price in his coffers. Over and above all this, his profit ariſes more directly from ſelling than from buying, and he is upon all theſe accounts generally much more anxious to exchange his goods for money, than his money for goods. But though a particular merchant, with abundance of goods in his warehouſe, may ſometimes be ruined by not being able to ſell them in time, a nation or country is not liable to the ſame accident. The whole capital of a merchant frequently conſiſts in periſhable goods deſtined for purchaſing money. But it is but a very ſmall part of the annual produce of the land and labour of a country which can ever be deſtined for purchaſing gold and ſilver from

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from their neighbours. The far greater part is circulated and conſumed among themſelves; and even of the ſurplus which is ſent abroad, the greater part is generally deſtined for the purchaſe of other foreign goods. Though gold and ſilver, therefore, could not be had in exchange for the goods deſtined to purchaſe them, the nation would not be ruined. It might, indeed, ſuffer ſome loſs and inconveniency, and be forced upon ſome of thoſe expedients which are neceſſary for ſupplying the place of money. The annual produce of its land and labour, however, would be the ſame, or very nearly the ſame, as uſual, becauſe the ſame, or very nearly the ſame conſumable capital would be employed in maintaining it. And though goods do not always draw money ſo readily as money draws goods, in the long-run they draw it more neceſſarily than even it draws them. Goods can ſerve many other purpoſes beſides purchaſing money, but money can ſerve no other purpoſe beſides purchaſing goods. Money, therefore, neceſſarily runs after goods, but goods do not always or neceſſarily run after money. The man who buys, does not always mean to ſell again, but frequently to uſe or to conſume; whereas he who ſells, always means to buy again. The one may frequently have done the whole, but the other can never have done more than the one-half of his buſineſs. It is not for its own ſake that men deſire money, but for the ſake of what they can purchaſe with it.

CONSUMABLE commodities, it is ſaid, are ſoon deſtroyed; whereas gold and ſilver are of a more durable nature, and, were it not for this continual exportation, might be accumulated for ages together, to the incredible augmentation of the real wealth of the country. Nothing, therefore, it is pretended, can be more diſadvantageous to any country, than the trade which conſiſts in the exchange of ſuch laſting for ſuch periſhable commodities. We do not, however, reckon that trade diſadvantageous which conſiſts in

in the exchange of the hardware of England for the wines of France; and yet hardware is a very durable commodity, and was it not for this continual exportation, might too be accumulated for ages together, to the incredible augmentation of the pots and pans of the country. But it readily occurs that the number of ſuch utenſils is in every country neceſſarily limited by the uſe which there is for them; that it would be abſurd to have more pots and pans than were neceſſary for cooking the victuals uſually conſumed there; and that if the quantity of victuals were to increaſe, the number of pots and pans would readily increaſe along with it, a part of the increaſed quantity of victuals being employed in purchaſing them, or in maintaining an additional number of workmen whoſe buſineſs it was to make them. It ſhould as readily occur that the quantity of gold and ſilver is in every country limited by the uſe which there is for thoſe metals; that their uſe conſiſts in circulating commodities as coin, and in affording a ſpecies of houſhold furniture as plate; that the quantity of coin in every country is regulated by the value of the commodities which are to be circulated by it: increaſe that value, and immediately a part of it will be ſent abroad to purchaſe, wherever it is to be had, the additional quantity of coin requiſite for circulating them: that the quantity of plate is regulated by the number and wealth of thoſe private families who chuſe to indulge themſelves in that ſort of magnificence: increaſe the number and wealth of ſuch families, and a part of this increaſed wealth will moſt probably be employed in purchaſing, wherever it is to be found, an additional quantity of plate: that to attempt to increaſe the wealth of any country, either by introducing or by detaining in it an unneceſſary quantity of gold and ſilver, is as abſurd as it would be to attempt to increaſe the good cheer of private families, by obliging them to keep an unneceſſary number of kitchen utenſils. As the expence of purchaſing thoſe unneceſſary utenſils would diminiſh inſtead

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inſtead of increaſing either the quantity or goodneſs of the family proviſions; ſo the expence of purchaſing an unneceſſary quantity of gold and ſilver muſt, in every country, as neceſſarily diminiſh the wealth which feeds, cloaths and lodges, which maintains and employs the people. Gold and ſilver, whether in the ſhape of coin or of plate, are utenſils, it muſt be remembered, as much as the furniture of the kitchen. Increaſe the uſe for them, increaſe the conſumable commodities which are to be circulated, managed and prepared by means of them, and you will infallibly increaſe the quantity; but if you attempt, by extraordinary means, to increaſe the quantity, you will as infallibly diminiſh the uſe and even the quantity too, which in thoſe metals can never be greater than what the uſe requires. Were they ever to be accumulated beyond this quantity, their tranſportation is ſo eaſy, and the loſs which attends their lying idle and unemployed ſo great, that no law could prevent their being immediately ſent out of the country.

It is not always neceſſary to accumulate gold and ſilver, in order to enable a country to carry on foreign wars, and to maintain fleets and armies in diſtant countries. Fleets and armies are maintained, not with gold and ſilver, but with conſumable goods. The nation which, from the annual produce of its domeſtic induſtry, from the annual revenue ariſing out of its lands, labour and conſumable ſtock, has wherewithal to purchaſe thoſe conſumable goods in diſtant countries, can maintain foreign wars there.

A nation may purchaſe the pay and proviſions of an army in a diſtant country three different ways; by ſending abroad either, firſt, ſome part of its accumulated gold and ſilver; or, ſecondly, ſome part of the annual produce of its manufactures; or laſt of all, ſome part of its annual rude produce.

THE gold and ſilver which can properly be conſidered as accumulated or ſtored up in any country, may be diſtinguiſhed into three parts; firſt, the circulating money; ſecondly, the plate of private families; and laſt of all, the money which may have been collected by many years parſimony, and laid up in the treaſury of the prince.

IT can ſeldom happen that much can be ſpared from the circulating money of the country; becauſe in that there can ſeldom be much redundancy. The value of goods annually bought and ſold in any country requires a certain quantity of money to circulate and diſtribute them to their proper conſumers, and can give employment to no more. The channel of circulation neceſſarily draws to itſelf a ſum ſufficient to fill it, and never admits any more. Something, however, is generally withdrawn from this channel in the caſe of foreign war. By the great number of people who are maintained abroad, fewer are maintained at home. Fewer goods are circulated there, and leſs money becomes neceſſary to circulate them. An extraordinary quantity of paper money, of ſome ſort or other too, ſuch as exchequer notes, navy bills, and bank bills in England, is generally iſſued upon ſuch occaſions, and by ſupplying the place of circulating gold and ſilver, gives an opportunity of ſending a greater quantity of it abroad. All this, however, could afford but a poor reſource for maintaining a foreign war, of great expence and ſeveral years duration.

THE melting down the plate of private families, has upon every occaſion been found a ſtill more inſignificant one. The French, in the beginning of the laſt war, did not derive ſo much advantage from this expedient as to compenſate the loſs of the faſhion.

THE accumulated treaſures of the prince have, in former times, afforded a much greater and more laſting reſource. In the preſent times, if you except the king of Pruſſia, to accumulate treaſure ſeems to be no part of the policy of European princes.

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THE funds which maintained the foreign wars of the preſent century, the moſt expenſive perhaps which hiſtory records, ſeem to have had little dependency upon the exportation either of the circulating money, or of the plate of private families, or of the treaſure of the prince. The laſt French war coſt Great Britain upwards of ninety millions, including not only the ſeventy-five millions of new debt that was contracted, but the additional two ſhillings in the pound land tax, and what was annually borrowed of the ſinking fund. More than two-thirds of this expence was laid out in diſtant countries; in Germany, Portugal, America, in the ports of the Mediterranean, in the Eaſt and Weſt Indies. The kings of England had no accumulated treaſure. We never heard of any extraordinary quantity of plate being melted down. The circulating gold and ſilver of the country had not been ſuppoſed to exceed eighteen millions. Since the late recoinage of the gold, however, it is believed to have been a good deal under-rated. Let us ſuppoſe, therefore, according to the exaggerated computation of Mr. Horſely, that, gold and ſilver together, it amounted to thirty millions. Had the war been carried on, by means of our money, the whole of it muſt, even according to this computation, have been ſent out and returned again at leaſt twice, in a period of between ſix and ſeven years. Should this be ſuppoſed, it would afford the moſt deciſive argument to demonſtrate how unneceſſary it is for government to watch over the preſervation of money, ſince upon this ſuppoſition the whole money of the country muſt have gone from it and returned to it again, two different times in ſo ſhort a period, without any body's knowing any thing of the matter. The channel of circulation, however, never appeared more empty than uſual during any part of this period. Few people wanted money who had wherewithal to pay for it. The profits of foreign trade, indeed, were greater than uſual during the whole war; but eſpecially towards the end of it. This occaſioned, what it always occaſions, a general overtrading in all the ports of Great Britain; and this again occaſioned the uſual complaint of the

ſcarcity of money, which always follows overtrading. Many people wanted it, who had neither wherewithal to buy it, nor credit to borrow it; and becauſe the debtors found it difficult to borrow, the creditors found it difficult to get payment. Gold and ſilver, however, were generally to be had for their value, by thoſe who had that value to give for them.

The enormous expence of the late war, therefore, muſt have been chiefly defrayed, not by the exportation of gold and ſilver, but by that of Britiſh commodities of ſome kind or other. When the government, or thoſe who acted under them, contracted with a merchant for a remittance to ſome foreign country, he would naturally endeavour to pay his foreign correſpondent, upon whom he had granted a bill, by ſending abroad rather commodities than gold and ſilver. If the commodities of Great Britain were not in demand in that country, he would endeavour to ſend them to ſome other country, in which he could purchaſe a bill upon that country. The tranſportation of commodities, when properly ſuited to the market, is always attended with a conſiderable profit; whereas that of gold and ſilver is ſcarce ever attended with any. When thoſe metals are ſent abroad in order to purchaſe foreign commodities, the merchant's profit ariſes, not from the purchaſe, but from the ſale of the returns. But when they are ſent abroad merely to pay a debt, he gets no returns, and conſequently no profit. He naturally, therefore, exerts his invention to find out a way of paying his foreign debts, rather by the exportation of commodities than by that of gold and ſilver. The great quantity of Britiſh goods exported during the courſe of the late war, without bringing back any returns, is accordingly remarked by the author of The Preſent State of the Nation.

Besides the three ſorts of gold and ſilver above mentioned, there is in all great commercial countries a good deal of bullion alter-

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nately imported and exported for the purpoſes of foreign trade. This bullion, as it circulates among different commercial countries in the ſame manner as the national coin circulates in every particular country, may be conſidered as the money of the great mercantile republick. The national coin receives its movement and direction from the commodities circulated within the precincts of each particular country: the money of the mercantile republick, from thoſe circulated between different countries. Both are employed in facilitating exchanges, the one between different individuals of the ſame, the other between thoſe of different nations. Part of this money of the great mercantile republick may have been, and probably was, employed in carrying on the late war. In time of a general war, it is natural to ſuppoſe that a movement and direction ſhould be impreſſed upon it, different from what it uſually follows in profound peace; that it ſhould circulate more about the ſeat of the war, and be more employed in purchaſing there, and in the neighbouring countries, the pay and proviſions of the different armies. But whatever part of this money of the mercantile republick, Great Britain may have annually employed in this manner, it muſt have been annually purchaſed, either with Britiſh commodities, or with ſomething elſe that had been purchaſed with them; which ſtill brings us back to commodities, to the annual produce of the land and labour of the country, as the ultimate reſources which enabled us to carry on the war. It is natural indeed to ſuppoſe, that ſo great an annual expence muſt have been defrayed from a great annual produce. The expence of 1761, for example, amounted to more than nineteen millions. No accumulation could have ſupported ſo great an annual profuſion. There is no annual produce even of gold and ſilver which could have ſupported it. The whole gold and ſilver annually imported into both Spain and Portugal, according to the beſt accounts, does not commonly much exceed ſix millions ſterling, which,

which, in ſome years, would ſcarce have paid four months expence of the late war.

The commodities moſt proper for being tranſported to diſtant countries, in order to purchaſe there, either the pay and proviſions of an army, or ſome part of the money of the mercantile republick to be employed in purchaſing them, ſeem to be the finer and more improved manufactures; ſuch as contain a great value in a ſmall bulk, and can, therefore, be exported to a great diſtance at little expence. A country whoſe induſtry produces a great annual ſurplus of ſuch manufactures, which are uſually exported to foreign countries, may carry on for many years a very expenſive foreign war, without either exporting any conſiderable quantity of gold and ſilver, or even having any ſuch quantity to export. A conſiderable part of the annual ſurplus of its manufactures muſt, indeed, in this caſe be exported, without bringing back any returns. Some part of it, however, may ſtill continue to bring back a return. The manufacturers, during the war, will have a double demand upon them, and be called upon, firſt, to work up goods to be ſent abroad, for paying the bills drawn upon foreign countries for the pay and proviſions of the army; and, ſecondly, to work up ſuch as are neceſſary for purchaſing the common returns that had uſually been conſumed in the country. In the midſt of the moſt deſtructive foreign war, therefore, the greater part of manufactures may frequently flouriſh greatly; and, on the contrary, they may decline on the return of the peace. They may flouriſh amidſt the ruin of their country, and begin to decay upon the return of its proſperity. The different ſtate of many different branches of the Britiſh manufactures during the late war, and for ſome time after the peace, may ſerve as an illuſtration of what has been juſt now ſaid.

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No foreign war of great expence or duration could conveniently be carried on by the exportation of the rude produce of the ſoil. The expence of ſending ſuch a quantity of it to a foreign country as might purchaſe the pay and proviſions of an army, would be too great. Few countries too produce much more rude produce than what is ſufficient for the ſubſiſtence of their own inhabitants. To ſend abroad any great quantity of it therefore, would be to ſend abroad a part of the neceſſary ſubſiſtence of the people. It is otherwiſe with the exportation of manufactures. The maintenance of the people employed in them is kept at home, and only the ſurplus part of their work is exported. Mr. Hume frequently takes notice of the inability of the antient kings of England to carry on, without interruption, any foreign war of long duration. The Engliſh, in thoſe days, had nothing wherewithal to purchaſe the pay and proviſions of their armies in foreign countries, but either the rude produce of the ſoil, of which no conſiderable part could be ſpared from the home conſumption, or a few manufactures of the coarſeſt kind, of which, as well as of the rude produce, the tranſportation was too expenſive. This inability did not ariſe from the want of money, but of the finer and more improved manufactures. Buying and ſelling was tranſacted by means of money in England then, as well as now. The quantity of circulating money muſt have borne the ſame proportion to the number and value of purchaſes and ſales uſually tranſacted at that time, which it does to thoſe tranſacted at preſent; or rather it muſt have borne a greater proportion, becauſe there was then no paper, which now occupies a great part of the employment of gold and ſilver. Among nations to whom commerce and manufactures are little known, the ſovereign, upon extraordinary occaſions, can ſeldom draw any conſiderable aid from his ſubjects, for reaſons which ſhall be explained hereafter. It is in ſuch countries, therefore, that he generally endeavours to accumulate a treaſure, as the only reſource againſt ſuch emergencies. Independant of this neceſſity, he is in

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ſuch a ſituation naturally diſpoſed to the parſimony requiſite for accumulation. In that ſimple ſtate, the expence even of a ſovereign is not directed by the vanity which delights in the gaudy finery of a court, but is employed in bounty to his tenants, and hoſpitality to his retainers. But bounty and hoſpitality very ſeldom lead to extravagance; though vanity almoſt always does. Every Tartar chief, accordingly, has a treaſure. The treaſures of Mazepa, chief of the Coſſacks in the Ukraine, the famous ally of Charles the XIIth, are ſaid to have been very great. The French kings of the Merovingian race had all treaſures. When they divided their kingdom among their different children, they divided their treaſure too. The Saxon princes, and the firſt kings after the conqueſt, ſeem likewiſe to have accumulated treaſures. The firſt exploit of every new reign was commonly to ſeize the treaſure of the preceeding king, as the moſt eſſential meaſure for ſecuring the ſucceſſion. The ſovereigns of improved and commercial countries are not under the ſame neceſſity of accumulating treaſures, becauſe they can generally draw from their ſubjects extraordinary aids upon extraordinary occaſions. They are likewiſe leſs diſpoſed to do ſo. They naturally, perhaps neceſſarily, follow the mode of the times, and their expence comes to be regulated by the ſame extravagant vanity which directs that of all the other great proprietors in their dominions. The inſignificant pageantry of their court becomes every day more brilliant, and the expence of it not only prevents accumulation, but frequently encroaches upon the funds deſtined for more neceſſary expences. What Dercyllidas ſaid of the court of Perſia, may be applied to that of ſeveral European princes, that he ſaw there much ſplendor but little ſtrength, and many ſervants but few ſoldiers.

The importation of gold and ſilver is not the principal, much leſs the ſole benefit which a nation derives from its foreign trade. Between

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Between whatever places foreign trade is carried on, they all of them derive two diſtinct benefits from it. It carries out that ſurplus part of the produce of their land and labour for which there is no demand among them, and brings back in return for it ſomething elſe for which there is a demand. It gives a value to their ſuperfluities, by exchanging them for ſomething elſe, which may ſatisfy a part of their wants, and increaſe their enjoyments. By means of it, the narrowneſs of the home market does not hinder the diviſion of labour in any particular branch of art or manufacture from being carried to the higheſt perfection. By opening a more extenſive market for whatever part of the produce of their labour may exceed the home conſumption, it encourages them to improve its productive powers, and to augment its annual produce to the utmoſt, and thereby increaſe the real revenue and wealth of the ſociety. Theſe great and important ſervices foreign trade is continually occupied in performing, to all the different countries between which it is carried on. They all derive great benefit from it, though that in which the merchant reſides generally derives the greateſt, as he is generally more employed in ſupplying the wants, and carrying out the ſuperfluities of his own, than of any other particular country. To import the gold and ſilver which may be wanted, into the countries which have no mines, is, no doubt, a part of the buſineſs of foreign commerce. It is, however, a moſt inſignificant part of it. A country which carried on foreign trade merely upon this account, could ſcarce have occaſion to freight a ſhip in a century.

It is not by the importation of gold and ſilver, that the diſcovery of America has enriched Europe. By the abundance of the American mines, thoſe metals have become cheaper. A ſervice of plate can now be purchaſed for about a third part of the corn, or a third part of the labour, which it would have coſt in the

fifteenth century. With the ſame annual expence of labour and commodities, Europe can annually purchaſe about three times the quantity of plate which it could have purchaſed at that time. But when a commodity comes to be ſold for a third part of what had been its uſual price, not only thoſe who purchaſed it before can purchaſe three times their former quantity, but it is brought down to the level of a much greater number of purchaſers; perhaps to more than ten, perhaps to more than twenty times the former number. So that there may be in Europe at preſent, not only more than three times, but more than twenty or thirty times the quantity of plate which would have been in it, even in its preſent ſtate of improvement, had the diſcovery of the American mines never been made. So far Europe has, no doubt, gained a real conveniency, though ſurely a very trifling one. The cheapneſs of gold and ſilver renders thoſe metals rather leſs fit for the purpoſes of money than they were before. In order to make the ſame purchaſes, we muſt load ourſelves with a greater quantity of them, and carry about a ſhilling in our pocket where a groat would have done before. It is difficult to ſay which is moſt trifling, this inconveniency, or the oppoſite conveniency. Neither the one nor the other could have made any very eſſential change in the ſtate of Europe. The diſcovery of America, however, certainly made a moſt eſſential one. By opening a new and inexhauſtible market to all the commodities of Europe, it gave occaſion to new diviſions of labour and improvements of art, which, in the narrow circle of the antient commerce, could never have taken place for want of a market to take off the greater part of their produce. The productive powers of labour were improved, and its produce increaſed in all the different countries of Europe, and together with it the real revenue and wealth of the inhabitants. The commodities of Europe were almoſt all new to America, and many of thoſe of America were new to Europe.

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A new ſett of exchanges, therefore, began to take place which had never been thought of before, and which ſhould naturally have proved as advantageous to the new, as it certainly did to the old continent. The ſavage injuſtice of the Europeans rendered an event, which ought to have been beneficial to all, ruinous and deſtructive to ſeveral of thoſe unfortunate countries.

The diſcovery of a paſſage to the Eaſt Indies, by the Cape of Good Hope, which happened much about the ſame time, opened, perhaps, a ſtill more extenſive range to foreign commerce than even that of America, notwithſtanding the greater diſtance. There were but two nations in America, in any reſpect ſuperior to ſavages, and theſe were deſtroyed almoſt as ſoon as diſcovered. The reſt were mere ſavages. But the empires of China, Indoſtan, Japan, as well as ſeveral others in the Eaſt Indies, without having richer mines of gold or ſilver, were in every other reſpect much richer, better cultivated, and more advanced in all arts and manufactures than either Mexico or Peru, even though we ſhould credit, what plainly deſerves no credit, the exaggerated accounts of the Spaniſh writers, concerning the antient ſtate of thoſe empires. But rich and civilized nations can always exchange to a much greater value with one another, than with ſavages and barbarians. Europe, however, has hitherto derived much leſs advantage from its commerce with the Eaſt Indies, than from that with America. The Portugueſe monopoliſed the Eaſt India trade to themſelves for about a century, and it was only indirectly and through them, that the other nations of Europe could either ſend out or receive any goods from that country. When the Dutch, in the beginning of the laſt century, began to encroach upon them, they veſted their whole Eaſt India commerce in an excluſive company. The Engliſh, French, Swedes, and Danes, have all followed their example, ſo that no great nation in Europe has ever yet had the benefit of a free

free commerce to the Eaſt Indies. No other reaſon need be aſſigned why it has never been ſo advantageous as the trade to America, which, between almoſt every nation of Europe and its own colonies, is free to all its ſubjects. The excluſive privileges of thoſe Eaſt India companies, their great riches, the great favour and protection which theſe have procured them from their reſpective governments, have excited much envy againſt them. This envy has frequently repreſented their trade as altogether pernicious, on account of the great quantities of ſilver, which it every year exports from the countries from which it is carried on. The parties concerned have replied, that their trade, by this continual exportation of ſilver, might, indeed, tend to impoveriſh Europe in general, but not the particular country from which it was carried on; becauſe, by the exportation of a part of the returns to other European countries, it annually brought home a much greater quantity of that metal than it carried out. Both the objection and the reply are founded in the popular notion which I have been juſt now examining. It is, therefore, unneceſſary to ſay any thing further about either. By the annual exportation of ſilver to the Eaſt Indies, plate is probably ſomewhat dearer in Europe than it otherwiſe might have been; and coined ſilver probably purchaſes a larger quantity both of labour and commodities. The former of theſe two effects is a very ſmall loſs, the latter a very ſmall advantage; both too inſignificant to deſerve any part of the publick attention. The trade to the Eaſt Indies, by opening a market to the commodities of Europe, or, what comes nearly to the ſame thing, to the gold and ſilver which is purchaſed with thoſe commodities, muſt neceſſarily tend to increaſe the annual production of European commodities, and conſequently the real wealth and revenue of Europe. That it has hitherto increaſed them ſo little, is probably owing to the reſtraints which it every where labours under.

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I THOUGHT it neceſſary, though at the hazard of being tedious, to examine at full length this popular notion that wealth conſiſts in money, or in gold and ſilver. Money in common language, as I have already obſerved, frequently ſignifies wealth; and this ambiguity of expreſſion has rendered this popular notion ſo familiar to us, that even they, who are convinced of its abſurdity, are very apt to forget their own principles, and in the courſe of their reaſonings to take it for granted as a certain and undeniable truth. Some of the beſt Engliſh writers upon commerce ſet out with obſerving, that the wealth of a country conſiſts, not in its gold and ſilver only, but in its lands, houſes, and conſumable goods of all different kinds. In the courſe of their reaſonings, however, the lands, houſes, and conſumable goods ſeem to ſlip out of their memory, and the ſtrain of their argument frequently ſuppoſes that all wealth conſiſts in gold and ſilver, and that to multiply thoſe metals is the great object of national induſtry and commerce.

THE two principles being eſtabliſhed, however, that wealth conſiſted in gold and ſilver, and that thoſe metals could be brought into a country which had no mines only by the balance of trade, or by exporting to a greater value than it imported; it neceſſarily became the great object of political œconomy to diminiſh as much as poſſible the importation of foreign goods for home-conſumption, and to increaſe as much as poſſible the exportation of the produce of domeſtick induſtry. Its two great engines for enriching the country, therefore, were reſtraints upon importation, and encouragements to exportation.

THE reſtraints upon importation were of two kinds.

FIRST, reſtraints upon the importation of ſuch foreign goods for home-conſumption as could be produced at home, from whatever country they were imported.

SECONDLY, reſtraints upon the importation of goods of almoſt all kinds from thoſe particular countries with which the balance of trade was ſuppoſed to be diſadvantageous.

THOSE different reſtraints conſiſted ſometimes in high duties, and ſometimes in abſolute prohibitions.

EXPORTATION was encouraged ſometimes by drawbacks, ſometimes by bounties, ſometimes by advantageous treaties of commerce with foreign ſtates, and ſometimes by the eſtabliſhment of colonies in diſtant countries.

DRAWBACKS were given upon two different occaſions. When the home-manufactures were ſubject to any duty or exciſe, either the whole or a part of it was frequently drawn back upon their exportation; and when foreign goods liable to a duty were imported, in order to be exported again, either the whole or a part of this duty was ſometimes given back upon ſuch exportation.

BOUNTIES were given for the encouragement either of ſome beginning manufactures, or of ſuch ſorts of induſtry of other kinds as were ſuppoſed to deſerve particular favour.

BY advantageous treaties of commerce, particular privileges were procured in ſome foreign ſtate for the goods and merchants of the country, beyond what were granted to thoſe of other countries.

BY the eſtabliſhment of colonies in diſtant countries, not only particular privileges, but a monopoly was frequently procured for

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for the goods and merchants of the country which eſtabliſhed them.

THE two ſorts of reſtraints upon importation above mentioned, together with theſe four encouragements to exportation, conſtitute the ſix principal means by which the commercial ſyſtem propoſes to increaſe the quantity of gold and ſilver in any country by turning the balance of trade in its favour. I ſhall conſider each of them in a particular chapter, and without taking much further notice of their ſuppoſed tendency to bring money into the country, I ſhall examine chiefly what are likely to be the effects of each of them upon the annual produce of its induſtry. According as they tend either to increaſe or diminiſh the value of this annual produce, they muſt evidently tend either to increaſe or diminiſh the real wealth and revenue of the country.

CHAP. II.

Of Reſtraints upon the Importation of ſuch Goods from Foreign Countries as can be produced at Home.

BY reſtraining either by high duties or by abſolute prohibitions the importation of ſuch goods from foreign countries as can be produced at home, the monopoly of the home-market is more or leſs ſecured to the domeſtick induſtry employed in producing them. Thus the prohibition of importing either live cattle or ſalt proviſions from foreign countries ſecures to the graziers of Great Britain the monopoly of the home-market for butchers-meat. The high duties upon the importation of corn, which in times of moderate plenty amount to a prohibition, give a like advantage to the growers of that commodity. The prohibition of the importation of foreign woollens is equally favourable to the woollen manufacturers. The ſilk manufacture, though altogether employed upon foreign materials, has lately obtained the ſame advantage. The linen manufacture has not yet obtained it, but is making great ſtrides towards it. Many other ſorts of manufacturers have, in the ſame manner, obtained in Great Britain, either altogether, or very nearly a monopoly againſt their countrymen.

THAT this monopoly of the home-market frequently gives great encouragement to that particular ſpecies of induſtry which enjoys it, and frequently turns towards that employment a greater ſhare of both the labour and ſtock of the ſociety than would otherwiſe have gone to it, cannot be doubted. But whether it tends either

to

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to increaſe the general induſtry of the ſociety, or to give it the moſt advantageous direction, is not, perhaps, altogether ſo certain.

The general induſtry of the ſociety never can exceed what the capital of the ſociety can employ. As the number of workmen that can be kept in employment by any particular perſon muſt bear a certain proportion to his capital, ſo the number of thoſe that can be continually employed by all the members of a great ſociety muſt bear a certain proportion to the whole capital of that ſociety, and never can exceed that proportion. No regulation of commerce can increaſe the quantity of induſtry in any ſociety beyond what its capital can maintain. It can only divert a part of it into a direction into which it might not otherwiſe have gone; and it is by no means certain that this artificial direction is likely to be more advantageous to the ſociety than that into which it would have gone of its own accord.

Every individual is continually exerting himſelf to find out the moſt advantageous employment for whatever capital he can command. It is his own advantage, indeed, and not that of the ſociety, which he has in view. But the ſtudy of his own advantage naturally, or rather neceſſarily leads him to prefer that employment which is moſt advantageous to the ſociety.

First, every individual endeavours to employ his capital as near home as he can, and conſequently as much as he can in the ſupport of domeſtick induſtry; provided always that he can thereby obtain the ordinary, or not a great deal leſs than the ordinary profits of ſtock.

Thus upon equal or nearly equal profits, every wholeſale merchant naturally prefers the home-trade to the foreign trade of conſumption,

conſumption, and the foreign trade of conſumption to the carrying trade. In the home-trade his capital is never ſo long out of his ſight as it frequently is in the foreign trade of conſumption. He can know better the character and ſituation of the perſons whom he truſts, and if he ſhould happen to be deceived, he knows better the laws of the country from which he muſt ſeek redreſs. In the carrying trade, the capital of the merchant is, as it were, divided between two foreign countries, and no part of it is ever neceſſarily brought home, or placed under his own immediate view and command. The capital which an Amſterdam merchant employs in carrying corn from Konnigſberg to Liſbon, and fruit and wine from Liſbon to Konnigſberg, muſt generally be the one-half of it at Konnigſberg and the other half at Liſbon. No part of it need ever come to Amſterdam. The natural reſidence of ſuch a merchant ſhould either be at Konnigſberg or Liſbon, and it can only be ſome very particular circumſtances which can make him prefer the reſidence of Amſterdam. The uneaſineſs, however, which he feels at being ſeparated ſo far from his capital, generally determines him to bring part both of the Konnigſberg goods which he deſtines for the market of Liſbon, and of the Liſbon goods which he deſtines for that of Konnigſberg, to Amſterdam: and though this neceſſarily ſubjects him to a double charge of loading and unloading, as well as to the payment of ſome duties and cuſtoms, yet for the ſake of having ſome part of his capital always under his own view and command, he willingly ſubmits to this extraordinary charge; and it is in this manner that every country which has any conſiderable ſhare of the carrying trade, becomes always the emporium or general market for the goods of all the different countries whoſe trade it carries on. The merchant, in order to ſave a ſecond loading and unloading, endeavours always to ſell in the home-market as much of the goods of all thoſe different countries as he can, and thus, ſo far as he can, to

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convert his carrying trade into a foreign trade of conſumption. A merchant, in the ſame manner, who is engaged in the foreign trade of conſumption, when he collects goods for foreign markets, will always be glad, upon equal or nearly equal profits, to ſell as great a part of them at home as he can. He ſaves himſelf the riſk and trouble of exportation, when ſo far as he can, he thus converts his foreign trade of conſumption into a home-trade. Home is in this manner the center, if I may ſay ſo, round which the capitals of the inhabitants of every country are continually circulating, and towards which they are always tending, though by particular cauſes they may ſometimes be driven off and repelled from it towards more diſtant employments. But a capital employed in the home-trade, it has already been ſhown, neceſſarily puts into motion a greater quantity of domeſtick induſtry, and gives revenue and employment to a greater number of the inhabitants of the country, than an equal capital employed in the foreign trade of conſumption: and one employed in the foreign trade of conſumption has the ſame advantage over an equal capital employed in the carrying trade. Upon equal, or only nearly equal profits, therefore, every individual naturally inclines to employ his capital in the manner in which it is likely to afford the greateſt ſupport to domeſtick induſtry, and to give revenue and employment to the greateſt number of the people of his own country.

Secondly, every individual who employs his capital in the ſupport of domeſtick induſtry, neceſſarily endeavours ſo to direct that induſtry, that its produce may be of the greateſt poſſible value.

The produce of induſtry is what it adds to the ſubject or materials upon which it is employed. In proportion as the value of this produce is great or ſmall, ſo will likewiſe be the profits of the employer. But it is only for the ſake of profit that any man employs

ploys a capital in the ſupport of induſtry; and he will always, therefore, endeavour to employ it in the ſupport of that induſtry of which the produce is likely to be of the greateſt value, or to exchange for the greateſt quantity either of money or of other goods.

But the annual revenue of every ſociety is always preciſely equal to the exchangeable value of the whole annual produce of its induſtry, or rather is preciſely the ſame thing with that exchangeable value. As every individual, therefore, endeavours as much as he can both to employ his capital in the ſupport of domeſtick induſtry, and ſo to direct that induſtry that its produce may be of the greateſt value; every individual neceſſarily labours to render the annual revenue of the ſociety as great as he can. He generally, indeed, neither intends to promote the publick intereſt, nor knows how much he is promoting it. By preferring the ſupport of domeſtick to that of foreign induſtry he intends only his own ſecurity; and by directing that induſtry in ſuch a manner as its produce may be of the greateſt value, he intends only his own gain, and he is in this, as in many other caſes, led by an inviſible hand to promote an end which was no part of his intention. Nor is it always the worſe for the ſociety that it was no part of it. By purſuing his own intereſt he frequently promotes that of the ſociety more effectually than when he really intends to promote it. I have never known much good done by thoſe who affected to trade for the publick good. It is an affectation, indeed, not very common among merchants, and very few words need be employed in diſſuading them from it.

What is the ſpecies of domeſtick induſtry which his capital can employ, and of which the produce is likely to be of the greateſt value, every individual, it is evident, can, in his local ſituation, judge much better than any ſtateſman or lawgiver can do for him.

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The ſtateſman, who ſhould attempt to direct private people in what manner they ought to employ their capitals, would not only load himſelf with a moſt unneceſſary attention, but aſſume an authority which could ſafely be truſted, not only to no ſingle perſon, but to no council or ſenate whatever, and which would no where be ſo dangerous as in the hands of a man who had folly and preſumption enough to fancy himſelf fit to exerciſe it.

To give the monopoly of the home-market to the produce of domeſtick induſtry, in any particular art or manufacture, is in ſome meaſure to direct private people in what manner they ought to employ their capitals, and muſt, in almoſt all caſes, be either a uſeleſs or a hurtful regulation. If the produce of domeſtick can be brought there as cheap as that of foreign induſtry, the regulation is evidently uſeleſs. If it cannot, it muſt generally be hurtful. It is the maxim of every prudent maſter of a family, never to attempt to make at home what it will coſt him more to make than to buy. The taylor does not attempt to make his own ſhoes, but buys them of the ſhoemaker. The ſhoemaker does not attempt to make his own cloaths, but employs a taylor. The farmer attempts to make neither the one nor the other, but employs thoſe different artificers. All of them find it for their intereſt to employ their whole induſtry in a way in which they have ſome advantage over their neighbours, and to purchaſe with a part of its produce, or what is the ſame thing, with the price of a part of it, whatever elſe they have occaſion for.

What is prudence in the conduct of every private family, can ſcarce be folly in that of a great kingdom. If a foreign country can ſupply us with a commodity cheaper than we ourſelves can make it, better buy it of them with ſome part of the produce of our own induſtry, employed in a way in which we have

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ſome advantage. The general induſtry of the country, being always in proportion to the capital which employs it, will not thereby be diminiſhed, no more than that of the above-mentioned artificers; but only left to find out the way in which it can be employed with the greateſt advantage. It is certainly not employed to the greateſt advantage, when it is thus directed towards an object which it can buy cheaper than it can make. The value of its annual produce is certainly more or leſs diminiſhed, when it is thus turned away from producing commodities evidently of more value than the commodity which it is directed to produce. According to the ſuppoſition, that commodity could be purchaſed from foreign countries cheaper than it can be made at home. It could, therefore, have been purchaſed with a part only of the commodities, or, what is the ſame thing, with a part only of the price of the commodities, which the induſtry employed by an equal capital, would have produced at home, had it been left to follow its natural courſe. The induſtry of the country, therefore, is thus turned away from a more, to a leſs advantageous employment, and the exchangeable value of its annual produce, inſtead of being increaſed, according to the intention of the lawgiver, muſt neceſſarily be diminiſhed by every ſuch regulation.

By means of ſuch regulations, indeed, a particular manufacture may ſometimes be acquired ſooner than it could have been otherwiſe, and after a certain time may be made at home as cheap or cheaper than in the foreign country. But though the induſtry of the ſociety may be thus carried with advantage into a particular channel ſooner than it could have been otherwiſe, it will by no means follow that the ſum total either of its induſtry or of its revenue can ever be augmented by any ſuch regulation. The induſtry of the ſociety can augment only in proportion as its capital augments, and its capital can augment only in proportion to what can be gradually ſaved out of its revenue. But the immediate effect of

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every ſuch regulation is to diminiſh its revenue, and what diminiſhes its revenue, is certainly not very likely to augment its capital faſter than it would have augmented of its own accord, had both capital and induſtry been left to find out their natural employments.

Though for want of ſuch regulations the ſociety ſhould never acquire the propoſed manufacture, it would not, upon that account, neceſſarily be the poorer in any one period of its duration. In every period of its duration its whole capital and induſtry might ſtill have been employed, though upon different objects, in the manner that was moſt advantageous at the time. In every period its revenue might have been the greateſt which its capital could afford, and both capital and revenue might have been augmenting with the greateſt poſſible rapidity.

The natural advantages which one country has over another in producing particular commodities are ſometimes ſo great, that it is acknowledged by all the world to be in vain to ſtruggle with them. By means of glaſſes, hotbeds, and hotwalls, very good grapes can be raiſed in Scotland, and very good wine too can be made of them at about thirty times the expence for which at leaſt equally good can be brought from foreign countries. Would it be a reaſonable law to prohibit the importation of all foreign wines, merely to encourage the making of claret and burgundy in Scotland? But if there would be a manifeſt abſurdity in turning towards any employment, thirty times more of the capital and induſtry of the country, than would be neceſſary to purchaſe from foreign countries an equal quantity of the commodities wanted, there muſt be an abſurdity, though not altogether ſo glaring, yet exactly of the ſame kind, in turning towards any ſuch employment a thirtieth, or even a three hundredth part more of either. Whether the advantages which one country has over another, be natural or acquired,

quired, is in this reſpect of no conſequence. As long as the one country has thoſe advantages, and the other wants them, it will always be more advantageous for the latter, rather to buy of the former than to make. It is an acquired advantage only, which one artificer has over his neighbour, who exerciſes another trade, and yet they both find it more advantageous to buy of one another, than to make what does not belong to their particular trades.

Merchants and manufacturers are the people who derive the greateſt advantage from this monopoly of the home market. The prohibition of the importation of foreign cattle, and of ſalt proviſions, together with the high duties upon foreign corn, which in times of moderate plenty amount to a prohibition, are not near ſo advantageous to the graziers and farmers of Great Britain, as other regulations of the ſame kind are to its merchants and manufacturers. Manufactures, thoſe of the finer kind eſpecially, are more eaſily tranſported from one country to another than corn or cattle. It is in the fetching and carrying manufactures, accordingly, that foreign trade is chiefly employed. In manufactures, a very ſmall advantage will enable foreigners to underſell our own workmen, even in the home market. It will require a very great one to enable them to do ſo in the rude produce of the ſoil. If the free importation of foreign manufactures was permitted, ſeveral of the home manufactures would probably ſuffer, and ſome of of them, perhaps, go to ruin altogether, and a conſiderable part of the ſtock and induſtry at preſent employed in them, would be forced to find out ſome other employment. But the freeſt importation of the rude produce of the ſoil could have no ſuch effect upon the agriculture of the country.

If the importation of foreign cattle, for example, was made ever ſo free, ſo few could be imported, that the grazing trade of Great Britain

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Britain could be little affected by it. Live cattle are, perhaps, the only commodity of which the tranſportation is more expenſive by ſea than by land. By land they carry themſelves to market. By ſea, not only the cattle, but their food and their water too muſt be carried at no ſmall expence and inconveniency. The ſhort ſea between Ireland and Great Britain, indeed, renders the importation of Iriſh cattle more eaſy. But though the free importation of them, which was lately permitted only for a limited time, were rendered perpetual, it could have no conſiderable effect upon the intereſt of the graziers of Great Britain. Thoſe parts of Great Britain which border upon the Iriſh ſea are all grazing countries. Iriſh cattle could never be imported for their uſe, but muſt be drove through thoſe very extenſive countries, at no ſmall expence and inconveniency, before they could arrive at their proper market. Fat cattle could not be drove ſo far. Lean cattle, therefore, only could be imported, and ſuch importation could interfere, not with the intereſt of the feeding or fattening countries, to which by reducing the price of lean cattle, it would rather be advantageous, but with that of the breeding countries only. The ſmall number of Iriſh cattle imported ſince their importation was permitted, together with the good price at which lean cattle ſtill continue to ſell, ſeem to demonſtrate that even the breeding countries of Great Britain are never likely to be much affected by the free importation of Iriſh cattle. The common people of Ireland, indeed, are ſaid to have ſometimes oppoſed with violence the exportation of their cattle. But if the exporters had found any great advantage in continuing the trade, they could eaſily, when the law was on their ſide, have conquered this mobbiſh oppoſition.

Feeding and fattening countries, beſides, muſt always be highly improved, whereas breeding countries are generally uncultivated. The high price of lean cattle, by augmenting the value of

of uncultivated land, is like a bounty againſt improvement. To any country which was highly improved throughout, it would be more advantageous to import its lean cattle than to breed them. The province of Holland, accordingly, is ſaid to follow this maxim at preſent. The mountains of Scotland, Wales, and Northumberland, indeed, are countries not capable of much improvement, and ſeem deſtined by nature to be the breeding countries of Great Britain. The freeſt importation of foreign cattle could have no other effect than to hinder thoſe breeding countries from taking advantage of the increaſing population and improvement of the reſt of the kingdom, from raiſing their price to an exorbitant height, and from laying a real tax upon all the more improved and cultivated parts of the country.

THE freeſt importation of ſalt proviſions, in the ſame manner, could have as little effect upon the intereſt of the graziers of Great Britain as that of live cattle. Salt proviſions are not only a very bulky commodity, but when compared with freſh meat, they are a commodity both of worſe quality, and as they coſt more labour and expence, of higher price. They could never, therefore, come into competition with the freſh meat, though they might with the ſalt proviſions of the country. They might be uſed for victualling ſhips for diſtant voyages, and ſuch like uſes, but could never make any conſiderable part of the food of the people. The ſmall quantity of ſalt proviſions imported from Ireland ſince their importation was rendered free, is an experimental proof that our graziers have nothing to apprehend from it. It does not appear that the price of butcher's-meat has ever been ſenſibly affected by it.

EVEN the free importation of foreign corn could very little affect the intereſt of the farmers of Great Britain. Corn is a much more bulky commodity than butcher's-meat. A pound of

wheat at a penny is as dear as a pound of butcher's-meat at fourpence. The ſmall quantity of foreign corn imported even in times of the greateſt ſcarcity, may ſatisfy our farmers that they can have nothing to fear from the freeſt importation. The average quantity imported, one year with another, amounts only, according to the very well informed author of the tracts upon the corn trade, to twenty-three thouſand ſeven hundred and twenty-eight quarters of all ſorts of grain, and does not exceed the five hundredth and ſeventy-one part of the annual conſumption. But as the bounty upon corn occaſions a greater exportation in years of plenty, ſo it muſt of conſequence occaſion a greater importation in years of ſcarcity, than would otherwiſe take place. By means of it, the plenty of one year does not compenſate the ſcarcity of another, and as the average quantity exported is neceſſarily augmented by it, ſo muſt likewiſe, in the actual ſtate of tillage, the average quantity imported. If there was no bounty, as leſs corn would be exported, ſo it is probable that one year with another, leſs would be imported than at preſent. The corn merchants, the fetchers and carriers of corn, between Great Britain and foreign countries, would have much leſs employment, and might ſuffer conſiderably; but the country gentlemen and farmers could ſuffer very little. It is in the corn merchants accordingly, rather than in the country gentlemen and farmers, that I have obſerved the greateſt anxiety for the renewal and continuation of the bounty.

COUNTRY gentlemen and farmers are, to their great honour, of all people, the leaſt ſubject to the wretched ſpirit of monopoly. The undertaker of a great manufactory is ſometimes alarmed if another work of the ſame kind is eſtabliſhed within twenty miles of him. The Dutch undertaker of the woollen manufacture at Abbeville, ſtipulated that no work of the ſame kind ſhould be eſtabliſhed within thirty leagues of that city. Farmers and country gentlemen

gentlemen, on the contrary, are generally diſpoſed rather to promote than to obſtruct the cultivation and improvement of their neighbours farms and eſtates. They have no ſecrets, ſuch as thoſe of the greater part of manufacturers, but are generally rather fond of communicating to their neighbours, and of extending as far as poſſible any new practice which they have found to be advantageous. *Pius Queſtus*, ſays old Cato, *ſtabiliſſimuſque, minimeque invidioſus; minimeque male cogitantes ſunt, qui in eo ſtudio occupati ſunt.* Country gentleman and farmers, diſperſed in different parts of the country, cannot ſo eaſily combine as merchants and manufacturers, who being collected into towns, and accuſtomed to that excluſive corporation ſpirit which prevails in them, naturally endeavour to obtain againſt all their countrymen, the ſame excluſive privilege which they generally poſſeſs againſt the inhabitants of their reſpective towns. They accordingly ſeem to have been the original inventors of thoſe reſtraints upon the importation of foreign goods, which ſecure to them the monopoly of the home market. It was probably in imitation of them, and to put themſelves upon a level with thoſe, who, they found were diſpoſed to oppreſs them, that the country gentlemen and farmers of Great Britain ſo far forgot the generoſity which is natural to their ſtation, as to demand the excluſive privilege of ſupplying their countrymen with corn and butcher's-meat. They did not perhaps take time to conſider, how much leſs their intereſt could be affected by the freedom of trade, than that of the people whoſe example they followed.

To prohibit by a perpetual law the importation of foreign corn and cattle, is in reality to enact, that the population and induſtry of the country ſhall at no time exceed what the rude produce of its own ſoil can maintain.

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THERE ſeem, however, to be two caſes in which it will generally be advantageous to lay ſome burden upon foreign, for the encouragement of domeſtick induſtry.

THE firſt is when ſome particular ſort of induſtry is neceſſary for the defence of the country. The defence of Great Britain, for example, depends very much upon the number of its ſailors and ſhipping. The act of navigation, therefore, very properly endeavours to give the ſailors and ſhipping of Great Britain the monopoly of the trade of their own country, in ſome caſes, by abſolute prohibitions, and in others by heavy burdens upon the ſhipping of foreign countries. The following are the principal diſpoſitions of this act:

FIRST, all ſhips, of which the owners, maſters, and three-fourths of the mariners are not Britiſh ſubjects, are prohibited, upon pain of forfeiting ſhip and cargo, from trading to the Britiſh ſettlements and plantations, or from being employed in the coaſting trade of Great Britain.

SECONDLY, a great variety of the moſt bulky articles of importation can be brought into Great Britain only, either in ſuch ſhips as are above deſcribed, or in ſhips of the country where thoſe goods are produced, and of which the owners, maſters, and three-fourths of the mariners are of that particular country; and when imported even in ſhips of this latter kind, they are ſubject to double aliens duty. If imported in ſhips of any other country, the penalty is forfeiture of ſhip and cargo. When this act was made, the Dutch were, what they ſtill are, the great carriers of Europe, and by this regulation they were entirely excluded from being the carriers to Great Britain, or from importing to us the goods of any other European country.

THIRDLY,

THIRDLY, a great variety of the moſt bulky articles of importation are prohibited from being imported, even in Britiſh ſhips, from any country but that in which they are produced; under pain of forfeiting ſhip and cargo. This regulation too was probably intended againſt the Dutch. Holland was then, as now, the great emporium for all European goods, and by this regulation, Britiſh ſhips were hindered from loading in Holland the goods of any other European country.

FOURTHLY, ſalt fiſh of all kinds, whale-fins, whale-bone, oil and blubber, not caught by and cured on board Britiſh veſſels, when imported into Great Britain, are ſubjected to double aliens duty. The Dutch, as they are ſtill the principal, were then the only fiſhers in Europe that attempted to ſupply foreign nations with fiſh. By this regulation, a very heavy burden was laid upon their ſupplying Great Britain.

WHEN the act of navigation was made, though England and Holland were not actually at war, the moſt violent animoſity ſubſiſted between the two nations. It had begun during the government of the long parliament which firſt framed this act, and it broke out ſoon after in the Dutch wars during that of the Protector and of Charles the IId. It is not impoſſible, therefore, that ſome of the regulations of this famous act may have proceeded from national animoſity. They are as wiſe, however, as if they had all been dictated by the moſt deliberate wiſdom. National animoſity at that particular time aimed at the very ſame object which the moſt deliberate wiſdom would have recommended, the diminution of the naval power of Holland, the only naval power which could endanger the ſecurity of England.

THE act of navigation is not favourable to foreign commerce, or to the growth of that opulence which can ariſe from it. The

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intereſt of a nation in its commercial relations to foreign nations is, like that of a merchant with regard to the different people with whom he deals, to buy as cheap and to ſell as dear as poſſible. But it will be moſt likely to buy cheap, when by the moſt perfect freedom of trade it encourages all nations to bring to it the goods which it has occaſion to purchaſe; and, for the ſame reaſon, it will be moſt likely to ſell dear, when its markets are thus filled with the greateſt number of buyers. The act of navigation, it is true, lays no burden upon foreign ſhips that come to export the produce of Britiſh induſtry. Even the antient aliens duty, which uſed to be paid upon all goods exported as well as imported, has, by ſeveral ſubſequent acts, been taken off from the greater part of the articles of exportation. But if foreigners, either by prohibitions or high duties, are hindered from coming to ſell, they cannot always afford to come to buy; becauſe coming without a cargo, they muſt loſe the freight from their own country to Great Britain. By diminiſhing the number of ſellers, therefore, we neceſſarily diminiſh that of buyers, and are thus likely not only to buy foreign goods dearer, but to ſell our own cheaper, than if there was a more perfect freedom of trade. As defence, however, is of much more importance than opulence, the act of navigation is, perhaps, the wiſeſt of all the commercial regulations of England.

The ſecond caſe, in which it will generally be advantageous to lay ſome burden upon foreign for the encouragement of domeſtick induſtry, is, when ſome tax is impoſed at home upon the produce of the latter. In this caſe, it ſeems reaſonable that an equal tax ſhould be impoſed upon the like produce of the former. This would not give the monopoly of the home market to domeſtick induſtry, nor turn towards a particular employment a greater ſhare of the ſtock and labour of the country, than what would naturally go to it. It would only hinder any part of what would naturally

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go to it from being turned away by the tax, into a leſs natural direction, and would leave the competition between foreign and domeſtick induſtry, after the tax, as nearly as poſſible upon the ſame footing as before it. In Great Britain, when any ſuch tax is laid upon the produce of domeſtick induſtry, it is uſual at the ſame time, in order to ſtop the clamorous complaints of our merchants and manufacturers, that they will be underſold at home, to lay a much heavier duty upon the importation of all foreign goods of the ſame kind.

This ſecond limitation of the freedom of trade according to ſome people ſhould, upon ſome occaſions, be extended much further than to the preciſe foreign commodities which could come into competition with thoſe which had been taxed at home. When the neceſſaries of life have been taxed in any country, it becomes proper, they pretend, to tax not only the like neceſſaries of life imported from other countries, but all ſorts of foreign goods which can come into competition with any thing that is the produce of domeſtick induſtry. Subſiſtence, they ſay, becomes neceſſarily dearer in conſequence of ſuch taxes; and the price of labour muſt always riſe with the price of the labourers ſubſiſtence. Every commodity, therefore, which is the produce of domeſtick induſtry, though not immediately taxed itſelf, becomes dearer in conſequence of ſuch taxes, becauſe the labour which produces it becomes ſo. Such taxes, therefore, are really equivalent, they ſay, to a tax upon every particular commodity produced at home. In order to put domeſtick upon the ſame footing with foreign induſtry, therefore, it becomes neceſſary, they think, to lay ſome duty upon every foreign commodity, equal to this enhancement of the price of the home commodities with which it can come into competition.

WHETHER taxes upon the neceſſaries of life, ſuch as thoſe in Great Britain upon malt, beer, ſoap, ſalt, leather, candles, &c. neceſſarily raiſe the price of labour, and conſequently that of all other commodities, I ſhall conſider hereafter, when I come to treat of taxes. Suppoſing, however, in the mean time, that they have this effect, and they have it undoubtedly, this general enhancement of the price of all commodities, in conſequence of that of labour, is a caſe which differs in the two following reſpects from that of a particular commodity, of which the price was enhanced by a particular tax immediately impoſed upon it.

FIRST, it might always be known with great exactneſs how far the price of ſuch a commodity could be enhanced by ſuch a tax: but how far the general enhancement of the price of labour might affect that of every different commodity, about which labour was employed, could never be known with any tolerable exactneſs. It would be impoſſible, therefore, to proportion with any tolerable exactneſs the tax upon every foreign to this enhancement of the price of every home commodity.

SECONDLY, taxes upon the neceſſaries of life have nearly the ſame effect upon the circumſtances of the people as a poor ſoil and a bad climate. Proviſions are thereby rendered dearer in the ſame manner as if it required extraordinary labour and expence to raiſe them. As in the natural ſcarcity ariſing from ſoil and climate, it would be abſurd to direct the people in what manner they ought to employ their capitals and induſtry, ſo it is likewiſe in the artificial ſcarcity ariſing from ſuch taxes. To be left to accommodate, as well as they could, their induſtry to their ſituation, and to find out thoſe employments in which, notwithſtanding their unfavourable circumſtances, they might have ſome advantage either in the

the home, or in the foreign market, is what in both caſes, would evidently be moſt for their advantage. To lay a new tax upon them, becauſe they are already overburdened with taxes, and becauſe they already pay too dear for the neceſſaries of life, to make them likewiſe pay too dear for the greater part of other commodities, is certainly a moſt abſurd way of making amends.

Such taxes, when they have grown up to a certain height, are a curſe equal to the barrenneſs of the earth and the inclemency of the heavens; and yet it is in the richeſt and moſt induſtrious countries that they have been moſt generally impoſed. No other countries could ſupport ſo great a diſorder. As the ſtrongeſt bodies only can live and enjoy health, under an unwholeſome regimen; ſo the nations only, that in every ſort of induſtry have the greateſt natural and acquired advantages, can ſubſiſt and proſper under ſuch taxes. Holland is the country in Europe in which they abound moſt, and which from peculiar circumſtances continues to proſper, not by means of them, as has been moſt abſurdly ſuppoſed, but in ſpite of them.

As there are two caſes in which it will generally be advantageous to lay ſome burden upon foreign, for the encouragement of domeſtick induſtry; ſo there are two others in which it may ſometimes be a matter of deliberation; in the one, how far it is proper to continue the free importation of certain foreign goods; and in the other, how far or in what manner it may be proper to reſtore that free importation after it has been for ſome time interrupted.

The caſe in which it may ſometimes be a matter of deliberation how far it is proper to continue the free importation of certain foreign goods, is, when ſome foreign nation reſtrains by high duties or prohibitions the importation of ſome of our manufactures into

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their country. Revenge in this caſe naturally dictates retaliation, and that we ſhould impoſe the like duties and prohibitions upon the importation of ſome or all of their manufactures into ours. Nations, accordingly, ſeldom fail to retaliate in this manner. The French have been particularly forward to favour their own manufactures by reſtraining the importation of ſuch foreign goods as could come into competition with them. In this conſiſted a great part of the policy of Mr. Colbert, who, notwithſtanding his great abilities, ſeems in this caſe to have been impoſed upon by the ſophiſtry of merchants and manufacturers, who are always demanding a monopoly againſt their countrymen. It is at preſent the opinion of the moſt intelligent men in France that his operations of this kind have not been beneficial to his country. That miniſter by the tarif of 1667, impoſed very high duties upon a great number of foreign manufactures. Upon his refuſing to moderate them in favour of the Dutch, they in 1671 prohibited the importation of the wines, brandies, and manufactures of France. The war of 1672 ſeems to have been in part occaſioned by this commercial diſpute. The peace of Nimeguen put an end to it in 1678, by moderating ſome of thoſe duties in favour of the Dutch, who in conſequence took off their prohibition. It was about the ſame time that the French and Engliſh began mutually to oppreſs each other's induſtry, by the like duties and prohibitions, of which the French, however, ſeem to have ſet the firſt example. The ſpirit of hoſtility which has ſubſiſted between the two nations ever ſince, has hitherto hindered them from being moderated on either ſide. In 1697 the Engliſh prohibited the importation of bonelace, the manufacture of Flanders. The government of that country, at that time under the dominion of Spain, prohibited in return the importation of Engliſh woollens. In 1700, the prohibition of importing bonelace into England, was taken off upon condition that the importation of Engliſh woollens into Flanders ſhould be put on the ſame footing as before.

THERE may be good policy in retaliations of this kind, when there is a probability that they will procure the repeal of the high duties or prohibitions complained of. The recovery of a great foreign market will generally more than compenſate the tranſitory inconveniency of paying dearer during a ſhort time for ſome ſorts of goods. To judge whether ſuch retaliations are likely to produce ſuch an effect, does not, perhaps, belong ſo much to the ſcience of a legiſlator, whoſe deliberations ought to be governed by general principles which are always the ſame, as to the ſkill of that inſidious and crafty animal, vulgarly called a ſtateſman or politician, whoſe councils are directed by the momentary fluctuations of affairs. When there is no probability that any ſuch repeal can be procured, it ſeems a bad method of compenſating the injury done to certain claſſes of our people, to do another injury ourſelves both to thoſe claſſes and to almoſt all the other claſſes of them. When our neighbours prohibit ſome manufacture of ours, we generally prohibit, not only the ſame, for that alone would ſeldom affect them conſiderably, but ſome other manufacture of theirs. This may no doubt give encouragement to ſome particular claſs of workmen among ourſelves, and by excluding ſome of their rivals, may enable them to raiſe their price in the home market. Thoſe workmen, however, who ſuffered by our neighbours prohibition will not be benefited by ours. On the contrary, they, and almoſt all the other claſſes of our citizens will thereby be obliged to pay dearer than before for certain goods. Every ſuch law, therefore, impoſes a real tax upon the whole country, not in favour of that particular claſs of workmen who were injured by our neighbours prohibition, but of ſome other claſs.

THE caſe in which it may ſometimes be a matter of deliberation how far or in what manner it is proper to reſtore the free importation of foreign goods, after it has been for ſome time interrupted,

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is, when particular manufactures, by means of high duties or prohibitions upon all foreign goods which can come into competition with them, have been ſo far extended as to employ a great multitude of hands. Humanity may in this caſe require that the freedom of trade ſhould be reſtored only by ſlow gradations, and with a good deal of reſerve and circumſpection. Were thoſe high duties and prohibitions taken away all at once, cheaper foreign goods of the ſame kind might be poured ſo faſt into the home market, as to deprive all at once many thouſands of our people of their ordinary employment and means of ſubſiſtence. The diſorder which this would occaſion might no doubt be very conſiderable. It would in all probability, however, be much leſs than is commonly imagined, for the two following reaſons:

First, all thoſe manufactures, of which any part is commonly exported to other European countries without a bounty, could be very little affected by the freeſt importation of foreign goods. Such manufactures muſt be ſold as cheap abroad as any other foreign goods of the ſame quality and kind, and conſequently muſt be ſold cheaper at home. They would ſtill, therefore, keep poſſeſſion of the home market, and though a capricious man of faſhion might ſometimes prefer foreign wares, merely becauſe they were foreign, to cheaper and better goods of the ſame kind that were made at home, this folly could from the nature of things extend to ſo few, that it could make no ſenſible impreſſion upon the general employment of the people. But a great part of all the different branches of our woollen manufacture, of our tanned leather, and of our hardware, are annually exported to other European countries without any bounty, and theſe are the manufactures which employ the greateſt number of hands. The ſilk, perhaps, is the manufacture which would ſuffer the moſt by this freedom of trade, and after it the linen, though the latter much leſs than the former.

Secondly,

SECONDLY, though a great number of people ſhould, by thus reſtoring the freedom of trade, be thrown all at once out of their ordinary employment and common method of ſubſiſtence, it would by no means follow that they would thereby be deprived either of employment or ſubſiſtence. By the reduction of the army and navy at the end of the late war more than a hundred thouſand ſoldiers and ſeamen, a number equal to what is employed in the greateſt manufactures, were all at once thrown out of their ordinary employment; but, though they no doubt ſuffered ſome inconveniency, they were not thereby deprived of all employment and ſubſiſtence. The greater part of the ſeamen, it is probable, gradually betook themſelves to the merchants ſervice as they could find occaſion, and in the mean time both they and the ſoldiers were abſorbed in the great maſs of the people, and employed in a great variety of occupations. Not only no great convulſion, but no ſenſible diſorder aroſe from ſo great a change in the ſituation of more than a hundred thouſand men, all accuſtomed to the uſe of arms, and many of them to rapine and plunder. The number of vagrants was ſcarce anywhere ſenſibly increaſed by it, even the wages of labour were not reduced by it in any occupation, ſo far as I have been able to learn, except in that of ſeamen in the merchant ſervice. But if we compare together the habits of a ſoldier and of any ſort of manufacturer, we ſhall find that thoſe of the latter do not tend ſo much to diſqualify him from being employed in a new trade, as thoſe of the former from being employed in any. The manufacturer has always been accuſtomed to look for his ſubſiſtence from his labour only: the ſoldier to expect it from his pay. Application and induſtry have been familiar to the one; idleneſs and diſſipation to the other. But it is ſurely much eaſier to change the direction of induſtry from one ſort of labour to another, than to turn idleneſs and diſſipation to any. To the greater part of manufactures beſides, it has already been obſerved, there are other

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collateral manufactures of ſo ſimilar a nature, that a workman can eaſily transfer his induſtry from one of them to another. The greater part of ſuch workmen too are occaſionally employed in country labour. The ſtock which employed them in a particular manufacture before, will ſtill remain in the country to employ an equal number of people in ſome other way. The capital of the country remaining the ſame, the demand for labour will likewiſe be the ſame, or very nearly the ſame, though it may be exerted in different places and for different occupations. Soldiers and ſeamen, indeed, when diſcharged from the kings ſervice, are at liberty to exerciſe any trade, within any town or place of Great Britain or Ireland. Let the ſame natural liberty of exerciſing what ſpecies of induſtry they pleaſe be reſtored to all his majeſty's ſubjects, in the ſame manner as to ſoldiers and ſeamen; that is, break down the excluſive privileges of corporations, and repeal the ſtatute of apprenticeſhip, both which are real encroachments upon natural liberty, and add to theſe the repeal of the law of ſettlements, ſo that a poor workman, when thrown out of employment either in one trade or in one place, may ſeek for it in another trade or in another place, without the fear either of a proſecution or of a removal, and neither the publick nor the individuals will ſuffer much more from the occaſional diſbanding ſome particular claſſes of manufacturers, than from that of ſoldiers. Our manufacturers have no doubt great merit with their country, but they cannot have more than thoſe who defend it with their blood, nor deſerve to be treated with more delicacy.

To expect, indeed, that the freedom of trade ſhould ever be entirely reſtored in Great Britain, is as abſurd as to expect that an Oceana or Utopea ſhould ever be eſtabliſhed in it. Not only the prejudices of the publick, but what is much more unconquerable, the private intereſts of many individuals irreſiſtably oppoſe it. Were the

officers of the army to oppoſe with the ſame zeal and unanimity any reduction in the number of forces, with which maſter manufacturers ſet themſelves againſt every law that is likely to increaſe the number of their rivals in the home market, were the former to animate their ſoldiers in the ſame manner as the latter enflame their workmen to attack with violence and outrage the propoſers of any ſuch regulation, to attempt to reduce the army would be as dangerous as it has now become to attempt to diminiſh in any reſpect the monopoly which our manufacturers have obtained againſt us. This monopoly has ſo much increaſed the number of ſome particular tribes of them, that, like an overgrown ſtanding army, they have become formidable to the government, and upon many occaſions intimidate the legiſlature. The member of parliament who ſupports every propoſal for ſtrengthening this monopoly, is ſure to acquire not only the reputation of underſtanding trade, but great popularity and influence with an order of men whoſe numbers and wealth render them of great importance. If he oppoſes them, on the contrary, and ſtill more if he has authority enough to be able to thwart them, neither the moſt acknowledged probity, nor the higheſt rank, nor the greateſt publick ſervices can protect him from the moſt infamous abuſe and detraction, from perſonal inſults, nor ſometimes from real danger, ariſing from the inſolent outrage of furious and diſappointed monopoliſts.

The undertaker of a great manufacture who, by the home markets being ſuddenly laid open to the competition of foreigners, ſhould be obliged to abandon his trade, would no doubt ſuffer very conſiderably. That part of his capital which had uſually been employed in purchaſing materials and in paying his workmen, might, without much difficulty, perhaps, find another employment. But that part of it which was fixed in workhouſes, and in the inſtruments of trade, could ſcarce be diſpoſed of without conſiderable

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loſs. The equitable regard, therefore, to his intereſt requires that changes of this kind ſhould never be introduced ſuddenly, but ſlowly, gradually, and after a very long warning. The legiſlature were it poſſible that its deliberations could be always directed, not by the clamorous importunity of partial intereſts, but by an extenſive view of the general good, ought upon this very account perhaps, to be particularly careful neither to eſtabliſh any new monopolies of this kind, nor to extend further thoſe which are already eſtabliſhed. Every ſuch regulation introduces ſome degree of real diſorder into the conſtitution of the ſtate, which it will be difficult afterwards to cure without occaſioning another diſorder.

How far it may be proper to impoſe taxes upon the importation of foreign goods, in order, not to prevent their importation, but to raiſe a revenue for government, I ſhall conſider hereafter when I come to treat of taxes. Taxes impoſed with a view to prevent, or even to diminiſh importation, are evidently as deſtructive of the revenue of the cuſtoms as of the freedom of trade.

CHAP. III.

Of the extraordinary Reſtraints upon the Importation of Goods of almoſt all Kinds, from thoſe Countries with which the Balance is ſuppoſed to be diſadvantageous.

CHAP. III.

TO lay extraordinary reſtraints upon the importation of goods of almoſt all kinds, from thoſe particular countries with which the balance of trade is ſuppoſed to be diſadvantageous, is the ſecond expedient by which the commercial ſyſtem propoſes to increaſe the quantity of gold and ſilver. Thus in Great Britain higher duties are laid upon the wines of France than upon thoſe of Portugal. German linen may be imported upon paying certain duties; but French linen is altogether prohibited. The principles which I have been examining, took their origin from private intereſt and the ſpirit of monopoly: thoſe which I am going to examine from national prejudice and animoſity. They are, accordingly, as might well be expected, ſtill more unreaſonable. They are ſo, even upon the principles of the commercial ſyſtem.

FIRST, though it were certain that in the caſe of a free trade between France and England, for example, the balance would be in favour of France, it would by no means follow that ſuch a trade would be diſadvantageous to England, or that the general balance of its whole trade would thereby be turned more againſt it. If the wines of France are better and cheaper than thoſe of Portugal, or its linens than thoſe of Germany, it would be more advantageous for Great Britain to purchaſe both the wine and the foreign linen which it had occaſion for of France, than of Portugal and Germany. Though the value of the annual importations from France would thereby be greatly augmented, the value of the whole annual importations would be diminiſhed, in proportion as the French

goods of the ſame quality were cheaper than thoſe of the other two countries. This would be the caſe, even upon the ſuppoſition that the whole French goods imported were to be conſumed in Great Britain.

But, ſecondly, a great part of them might be re-exported to other countries, where, being ſold with profit, they might bring back a return equal in value, perhaps, to the prime coſt of the whole French goods imported. What has frequently been ſaid of the Eaſt India trade might poſſibly be true of the French; that though the greater part of Eaſt India goods were bought with gold and ſilver, the re-exportation of a part of them to other countries, brought back more gold and ſilver to that which carried on the trade than the prime coſt of the whole amounted to. One of the moſt important branches of the Dutch trade, at preſent, conſiſts in the carriage of French goods to other European countries. A great part even of the French wine drank in Great Britain is clandeſtinely imported from Holland and Zealand. If there was either a free trade between France and England, or if French goods could be imported upon paying only the ſame duties as thoſe of other European nations, to be drawn back upon exportation, England might have ſome ſhare of a trade which is found ſo advantageous to Holland.

Thirdly, and laſtly, there is no certain criterion by which we can determine on which ſide what is called the balance between any two countries lies, or which of them exports to the greateſt value. National prejudice and animoſity, prompted always by the private intereſt of particular traders, are the principles which generally direct our judgement upon all queſtions concerning it. There are two criterions, however, which have frequently been appealed to upon ſuch occaſions, the cuſtom-houſe books and the courſe of exchange.

change. The cuſtom-houſe books, I think, it is now generally acknowledged, are a very uncertain criterion, on account of the inaccuracy of the valuation at which the greater part of goods are rated in them. The courſe of exchange, at leaſt, as it has hitherto been eſtimated, is, perhaps, almoſt equally ſo.

When the exchange between two places, ſuch as London and Paris, is at par, it is ſaid to be a ſign that the debts due from London to Paris are compenſated by thoſe due from Paris to London. On the contrary, when a premium is paid at London for a bill upon Paris, it is ſaid to be a ſign that the debts due from London to Paris are not compenſated by thoſe due from Paris to London, but that a balance in money muſt be ſent out from the latter place; for the riſk, trouble, and expence of exporting which, the premium is both demanded and given. But the ordinary ſtate of debt and credit between thoſe two cities muſt neceſſarily be regulated, it is ſaid, by the ordinary courſe of their dealings with one another. When neither of them imports from the other to a greater amount than it exports to it, the debts and credits of each may compenſate one another. But when one of them imports from the other to a greater value than it exports to it, the former neceſſarily becomes indebted to the latter in a greater ſum than the latter becomes indebted to it: the debts and credits of each do not compenſate one another, and money muſt be ſent out from that place of which the debts over-balance the credits. The common courſe of exchange, therefore, being an indication of the ordinary ſtate of debt and credit between two places, muſt likewiſe be an indication of the ordinary courſe of their exports and imports, as theſe neceſſarily regulate that ſtate.

But though this doctrine, of which ſome part is, perhaps, not a little doubtful, were ſuppoſed ever ſo certain, the manner in which the par of exchange has hitherto been computed, renders uncertain every concluſion that has ever yet been drawn from it.

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When for a ſum of money paid in England, containing, according to the ſtandard of the Engliſh mint, a certain number of ounces of pure ſilver, you receive a bill for a ſum of money to be paid in France, containing, according to the ſtandard of the French mint, an equal number of ounces of pure ſilver, exchange is ſaid to be at par between England and France. When you pay more, you are ſuppoſed to give a premium, and exchange is ſaid to be againſt England, and in favour of France. When you pay leſs, you are ſuppoſed to get a premium, and exchange is ſaid to be againſt France, and in favour of England.

But, firſt we cannot always judge of the value of the current money of different countries by the ſtandards of their reſpective mints. In ſome it is more, in others it is leſs worn, clipt, and otherwiſe degenerated from that ſtandard. But the value of the current coin of every country, compared with that of any other country, is in proportion, not to the quantity of pure ſilver which it ought to contain, but to that which it actually does contain. Before the reformation of the ſilver coin in king William's time, exchange between England and Holland, computed, in the uſual manner, according to the ſtandards of their reſpective mints, was five and twenty per cent. againſt England. But the value of the current coin of England, as we learn from Mr. Lowndes, was at that time rather more than five and twenty per cent. below its ſtandard value. The real exchange, therefore, may even at that time have been in favour of England, notwithſtanding the computed exchange was ſo much againſt it; a ſmaller number of ounces of pure ſilver, actually paid in England, may have purchaſed a bill for a greater number of ounces of pure ſilver to be paid in Holland, and the man who was ſuppoſed to give, may in reality have got the premium. The French coin was, before the late reformation of the Engliſh gold coin, much leſs worn than the Engliſh, and was, perhaps, two or three

three per cent. nearer its ſtandard. If the computed exchange with France, therefore, was not more than two or three per cent. againſt England, the real exchange might have been in its favour. Since the reformation of the gold coin, the exchange has been conſtantly in favour of England, and againſt France.

Secondly, in ſome countries, the expence of coinage is defrayed by the government, in others, it is defrayed by the private people who carry their bullion to the mint, and the government even derives ſome revenue from the coinage. In England, it is defrayed by the government, and if you carry a pound weight of ſtandard ſilver to the mint, you get back ſixty-two ſhillings, containing a pound weight of the like ſtandard ſilver. In France, a duty of eight per cent. is deducted for the coinage, which not only defrays the expence of it, but affords a ſmall revenue to the government. In England, as the coinage coſts nothing, the current coin can never be much more valuable than the quantity of bullion which it actually contains. In France, the workmanſhip as you pay for it, adds to the value, in the ſame manner as to that of wrought plate. A ſum of French money, therefore, containing a certain weight of pure ſilver, is more valuable than a Sum of Engliſh money containing an equal weight of pure ſilver, and muſt require more bullion, or other commodities to purchaſe it. Though the current coin of the two countries, therefore, were equally near the ſtandards of their reſpective mints, a ſum of Engliſh money could not well purchaſe a ſum of French money, containing an equal number of ounces of pure ſilver, nor conſequently a bill upon France for ſuch a ſum. If for ſuch a bill no more additional money was paid than what was ſufficient to compenſate the expence of the French coinage, the real exchange might be at par between the two countries, their debts and credits might mutually compenſate one another, while the computed exchange was conſiderably in favour of France.

If

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THIRDLY, and laſtly, in ſome places, as at Amſterdam, Hamburgh, Venice, &c. foreign bills of exchange are paid in what they call bank money; while in others, as at London, Liſbon, Antwerp, Leghorn, &c. they are paid in the common currency of the country. What is called bank money is always of more value than the ſame nominal ſum of common currency. A thouſand guilders in the bank of Amſterdam, for example, are of more value than a thouſand guilders of Amſterdam currency. The difference between them is called the agio of the bank, which, at Amſterdam, is generally about five per cent. Suppoſing the current money of two countries equally near to the ſtandard of their reſpective mints, and that the one pays foreign bills in this common currency, while the other pays them in bank money, it is evident that the computed exchange may be in favour of that which pays in bank money, though the real exchange ſhould be in favour of that which pays in current money; for the ſame reaſon that the computed exchange may be in favour of that which pays in better money, or in money nearer to its own ſtandard, though the real exchange ſhould be in favour of that which pays in worſe. The computed exchange, before the late reformation of the gold coin, was generally againſt London with Amſterdam, Hamburgh, Venice, and, I believe, with all other places which pay in what is called bank money. It will by no means follow, however, that the real exchange was againſt it. Since the reformation of the gold coin, it has been in favour of London even with thoſe places. The computed exchange has generally been in favour of London with Liſbon, Antwerp, Leghorn, and, if you except France, I believe, with moſt other parts of Europe that pay in common currency; and it is not improbable that the real exchange was ſo too.

Digreſſion concerning Banks of Depoſit, particularly concerning that of Amſterdam.

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THE currency of a great ſtate, ſuch as France or England, generally conſiſts almoſt entirely of its own coin. Should this currency, therefore, be at any time worn, clipt, or otherwiſe degraded below its ſtandard value, the ſtate by a reformation of its coin can effectually re-eſtabliſh its currency. But the currency of a ſmall ſtate, ſuch as Genoa or Hamburgh, can ſeldom conſiſt altogether in its own coin, but muſt be made up, in a great meaſure, of the coins of all the neighbouring ſtates with which its inhabitants have a continual intercourſe. Such a ſtate, therefore, by reforming its coin, will not always be able to reform its currency. If foreign bills of exchange are paid in this currency, the uncertain value of any ſum, of what is in its own nature ſo uncertain, muſt render the exchange always very much againſt ſuch a ſtate, its currency being, in all foreign ſtates, neceſſarily valued even below what it is worth.

In order to remedy the inconvenience to which this diſadvantageous exchange muſt have ſubjected their merchants, ſuch ſmall ſtates, when they began to attend to the intereſt of trade, have frequently enacted, that foreign bills of exchange of a certain value ſhould be paid, not in common currency, but by an order upon, or by a transfer in the books of a certain bank, eſtabliſhed upon the credit, and under the protection of the ſtate; this bank being always obliged to pay, in good and true money, exactly according to the ſtandard of the ſtate. The banks of Venice, Genoa, Amſterdam, Hamburgh, and Nuremberg, ſeem to have been all originally eſtabliſhed with this view, though ſome of them may have afterwards

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wards been made ſubſervient to other purpoſes. The money of ſuch banks being better than the common currency of the country, neceſſarily bore an agio, which was greater or ſmaller, according as the currency was ſuppoſed to be more or leſs degraded below the ſtandard of the ſtate. The agio of the bank of Hamburgh, for example, which is ſaid to be commonly about fourteen per cent, is the ſuppoſed difference between the good ſtandard money of the ſtate and the clipt, worn, and diminiſhed currency poured into it from all the neighbouring ſtates.

Before 1609 the great quantity of clipt and worn foreign coin, which the extenſive trade of Amſterdam brought from all parts of Europe, reduced the value of its currency about nine per cent. below that of good money freſh from the mint. Such money no ſooner appeared than it was melted down or carried away, as it always is in ſuch circumſtances. The merchants, with plenty of currency, could not always find a ſufficient quantity of good money to pay their bills of exchange; and the value of thoſe bills, in ſpite of ſeveral regulations which were made to prevent it, became in a great meaſure uncertain.

In order to remedy theſe inconveniencies, a bank was eſtabliſhed in 1609 under the guarantee of the city. This bank received both foreign coin, and the light and worn coin of the country at its real intrinſic value in the good ſtandard money of the country, deducting only ſo much as was neceſſary for defraying the expence of coinage, and the other neceſſary expence of management. For the value which remained after this ſmall deduction was made, it gave a credit in its books. This credit was called bank money, which, as it repreſented money exactly according to the ſtandard of the mint, was always of the ſame real value, and intrinſically worth more than current money. It was at the ſame time enacted, that

all

all bills drawn upon or negociated at Amſterdam of the value of ſix hundred gilders and upwards ſhould be paid in bank money, which at once took away all uncertainty in the value of thoſe bills. Every merchant, in conſequence of this regulation, was obliged to keep an account with the bank in order to pay his foreign bills of exchange, which neceſſarily occaſioned a certain demand for bank money.

Bank money, over and above both its intrinſic ſuperiority to currency, and the additional value which this demand neceſſarily gives it, has likewiſe ſome other advantages. It is ſecure from fire, robbery, and other accidents; the city of Amſterdam is bound for it; it can be paid away by a ſimple transfer, without the trouble of counting, or the riſk of tranſporting it from one place to another. In conſequence of thoſe different advantages, it ſeems from the beginning to have borne an agio, and it is generally believed that all the money originally depoſited in the bank was allowed to remain there, nobody caring to demand payment of a debt which he could ſell for a premium in the market. By demanding payment of the bank, the owner of a bank credit would loſe this premium. As a ſhilling freſh from the mint will buy no more goods in the market than one of our common worn ſhillings, ſo the good and true money which might be brought from the coffers of the bank into thoſe of a private perſon, being mixed and confounded with the common currency of the country, would be of no more value than that currency, from which it could no longer be readily diſtinguiſhed. While it remained in the coffers of the bank, its ſuperiority was known and aſcertained. When it had come into thoſe of a private perſon, its ſuperiority could not well be aſcertained without more trouble than perhaps the difference was worth. By being brought from the coffers of the bank, beſides, it loſt all the other advantages of bank money;

its ſecurity, its eaſy and ſafe transferability, its uſe in paying foreign bills of exchange. Over and above all this, it could not be brought from thoſe coffers, as it will appear by and by, without previouſly paying for the keeping.

Those depoſits of coin, or which the bank was bound to reſtore in coin, conſtituted the original capital of the bank, or the whole value of what was repreſented by what is called bank money. At preſent they are ſuppoſed to conſtitute but a very ſmall part of it. In order to facilitate the trade in bullion, the bank has been for theſe many years in the practice of giving credit in its books upon depoſits of gold and ſilver bullion. This credit is generally about five per cent. below the mint price of ſuch bullion. The bank grants at the ſame time what is called a recipice or receipt, intitling the perſon who makes the depoſit, or the bearer, to take out the bullion again at any time within ſix months, upon re-transferring to the bank a quantity of bank money equal to that for which credit had been given in its books when the depoſit was made, and upon paying one-fourth per cent. for the keeping, if the depoſit was in ſilver; and one-half per cent. if it was in gold; but at the ſame time declaring, that in default of ſuch payment, and upon the expiration of this term, the depoſit ſhould belong to the bank at the price at which it had been received, or for which credit had been given in the transfer books. What is thus paid for the keeping of the depoſit may be conſidered as a ſort of warehouſe rent; and why this warehouſe rent ſhould be ſo much dearer for gold than for ſilver, ſeveral different reaſons have been aſſigned. The fineneſs of gold, it has been ſaid, is more difficult to be aſcertained than that of ſilver. Frauds are more eaſily practiſed, and occaſion a greater loſs in the more precious metal. Silver, beſides, being the ſtandard metal, the ſtate, it has been ſaid,

ſaid, wiſhes to encourage more the making of depoſits of ſilver than of thoſe of gold.

DEPOSITS of bullion are moſt commonly made when the price is ſomewhat lower than ordinary; and they are taken out again when it happens to riſe. In Holland the market price of bullion is generally above the mint price, for the ſame reaſon that it was ſo in England before the late reformation of the gold coin. The difference is ſaid to be commonly from about ſix to ſixteen ſtivers upon the mark, or eight ounces of ſilver of eleven parts fine, and one part alloy. The bank price, or the credit which the bank gives for depoſits of ſuch ſilver (when made in foreign coin, of which the fineneſs is well known and aſcertained, ſuch as Mexico dollars) is twenty-two gilders, the mark; the mint price is about twenty-three gilders; and the market price is from twenty-three gilders ſix, to twenty-three gilders ſixteen ſtivers, or from two to three per cent. above the mintprice.* The Proportions between the bank price, the mint price, and the market price of gold bullion, arenearly theſame. A perſon can generally ſell his receipt for the difference between the mint price of bullion and the market price. A receipt for bullion is almoſt always

* The following are the prices at which the bank of Amſterdam at preſent (September, 1775) receives bullion and coin of different kinds.

SILVER.

Mexico dollars, French crowns, Engliſh ſilver coin	Gilders. B—22 per mark.
Mexico dollars new coin	21 10
Ducatoons	3
Rix dollars	2 8

Bar ſilver containing $\frac{11}{12}$ fine ſilver 21 per mark, and in this proportion down to $\frac{1}{4}$ fine, on which 5 gilders are given.

Fine bars, 23 per mark.

GOLD

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always worth ſomething, and it very ſeldom happens, therefore, that any body ſuffers his receipt to expire, or allows his bullion to fall to the bank at the price at which it had been received, either by not taking it out before the end of the ſix months, or by neglecting to pay the one-fourth or one-half per cent. in order to obtain a new receipt for another ſix months. This, however, though it happens ſeldom, is ſaid to happen ſometimes, and more frequently with regard to gold than with regard to ſilver, on account of the higher warehouſe-rent which is paid for the keeping of the more precious metal.

The perſon who by making a depoſit of bullion obtains both a bank credit and a receipt, pays his bills of exchange as they become due with his bank credit; and either ſells or keeps his receipt according as he judges that the price of bullion is likely to riſe or to fall. The receipt and the bank credit ſeldom keep long together, and there is no occaſion that they ſhould. The perſon who has a receipt, and who wants to take out bullion, finds always plenty of bank credits, or bank money to buy at the ordinary price; and the perſon who has bank money, and wants to take out bullion, finds receipts always in equal abundance.

The owners of bank credits and the holders of receipts conſtitute two different ſorts of creditors againſt the bank. The holder of a receipt cannot draw out the bullion for which it is granted,

GOLD.

Portugal coin Guineas Louis d'ors new	}	B— 310 per mark.
Ditto old - - -		300
New ducats - - -		4 19 8 per ducat.

Bar or ingot gold is received in proportion to its fineneſs compared with the above foreign gold coin. Upon fine bars the bank gives 340 per mark. In general, however, ſomething more is given upon coin of a known fineneſs, than upon gold and ſilver bars, of which the fineneſs cannot be aſcertained but by a proceſs of melting and aſſaying.

granted, without re-aſſigning to the bank a ſum of bank money equal to the price at which the bullion had been received. If he has no bank money of his own, he muſt purchaſe it of thoſe who have it. The owner of bank money cannot draw out bullion without producing to the bank receipts for the quantity which he wants. If he has none of his own, he muſt buy them of thoſe who have them. The holder of a receipt, when he purchaſes bank money, purchaſes the power of taking out a quantity of bullion, of which the mint price is five per cent. above the bank price. The agio of five per cent. therefore, which he commonly pays for it, is paid, not for an imaginary, but for a real value. The owner of bank money, when he purchaſes a receipt, purchaſes the power of taking out a quantity of bullion of which the market price is commonly from two to three per cent. above the mint price. The price which he pays for it, therefore, is paid likewiſe for a real value. The price of the receipt, and the price of the bank money, compound or make up between them the full value or price of the bullion.

Upon depoſits of the coin current in the country, the bank grants receipts likewiſe as well as bank credits; but thoſe receipts are frequently of no value, and will bring no price in the market. Upon ducatoons, for example, which in the currency paſs for three gilders three ſtivers each, the bank gives a credit of three gilders only, or five per cent. below their current value. It grants a receipt likewiſe intitling the bearer to take out the number of ducatoons depoſited at any time within ſix months, upon paying one-fourth per cent. for the keeping. This receipt will frequently bring no price in the market. Three gilders bank money generally ſell in the market for three gilders three ſtivers, the full value of the decatoons if they were taken out of the bank; and before they can be taken out, one-fourth per cent. muſt be paid

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paid for the keeping, which would be mere loſs to the holder of the receipt. If the agio of the bank, however, ſhould at any time fall to three per cent. ſuch receipts might bring ſome price in the market, and might ſell for one and three-fourths per cent. But the agio of the bank being now generally about five per cent. ſuch receipts are frequently allowed to expire, or as they expreſs it, to fall to the bank. The receipts which are given for depoſits of gold ducats fall to it yet more frequently, becauſe a higher warehouſe-rent, or one-half per cent. muſt be paid for the keeping of them before they can be taken out again. The five per cent. which the bank gains, when depoſits either of coin or bullion are allowed to fall to it, may be conſidered as the warehouſe-rent for the perpetual keeping of ſuch depoſits.

The ſum of bank money for which the receipts are expired muſt be very conſiderable. It muſt comprehend the whole original capital of the bank, which, it is generally ſuppoſed, has been allowed to remain there from the time it was firſt depoſited, nobody caring either to renew his receipt or to take out his depoſit, as, for the reaſons already aſſigned, neither the one nor the other could be done without loſs. But whatever may be the amount of this ſum, the proportion which it bears to the whole maſs of bank money is ſuppoſed to be very ſmall. The bank of Amſterdam has for theſe many years paſt been the great warehouſe of Europe for bullion, for which the receipts are very ſeldom allowed to expire, or, as they expreſs it, to fall to the bank. The far greater part of the bank money, or of the credits upon the books of the bank, is ſuppoſed to have been created, for theſe many years paſt, by ſuch depoſits which the dealers in bullion are continually both making and withdrawing.

No demand can be made upon the bank but by means of a recipice or receipt. The ſmaller maſs of bank money, for which the receipts are expired, is mixed and confounded with the much

greater maſs for which they are ſtill in force; ſo that, though there may be a conſiderable ſum of bank money, for which there are no receipts, there is no ſpecific ſum or portion of it, which may not at any time be demanded by one. The bank cannot be debtor to two perſons for the ſame thing; and the owner of bank money who has no receipt cannot demand payment of the bank till he buys one. In ordinary and quiet times, he can find no difficulty in getting one to buy at the market price, which generally correſponds with the price at which he can ſell the coin or bullion it in titles him to take out of the bank.

It might be otherwiſe during a public calamity; an invaſion, for example, ſuch as that of the French in 1672. The owners of bank money being then all eager to draw it out of the bank, in order to have it in their own keeping, the demand for receipts might raiſe their price to an exorbitant height. The holders of them might form extravagant expectations, and, inſtead of two or three per cent. demand half the bank money for which credit had been given upon the depoſits that the receipts had reſpectively been granted for. The enemy, informed of the conſtitution of the bank, might even buy them up in order to prevent the carrying away of the treaſure. In ſuch emergencies, the bank, it is ſuppoſed, would break through its ordinary rule of making payment only to the holders of receipts. The holders of receipts, who had no bank money, muſt have received within two or three per cent. of the value of the depoſit for which their reſpective receipts had been granted. The bank, therefore, it is ſaid, would in this caſe make no ſcruple of paying, either with money or bullion, the full value of what the owners of bank money who could get no receipts, were credited for in its books; paying at the ſame time two or three per cent. to ſuch holders of receipts as had no bank money, that being the whole value which in this ſtate of things could juſtly be ſuppoſed due to them.

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Even in ordinary and quiet times it is the intereſt of the holders of receipts to depreſs the agio, in order either to buy bank money (and conſequently the bullion, which their receipts would then enable them to take out of the bank) ſo much cheaper, or to ſell their receipts to thoſe who have bank money, and who want to take out bullion, ſo much dearer; the price of a receipt being generally equal to the difference between the market price of bank money, and that of the coin or bullion for which the receipt had been granted. It is the intereſt of the owners of bank money, on the contrary, to raiſe the agio, in order either to ſell their bank money ſo much dearer, or to buy a receipt ſo much cheaper. To prevent the ſtock jobbing tricks which thoſe oppoſite intereſts might ſometimes occaſion, the bank has of late years come to the reſolution to ſell at all times bank money for currency, at five per cent. agio, and to buy it in again at four per cent. agio. In conſequence of this reſolution, the agio can never either riſe above five, or ſink below four per cent. and the proportion between the market price of bank and that of current money, is kept at all times very near to the proportion between their intrinſic values. Before this reſolution was taken, the market price of bank money uſed ſometimes to riſe ſo high as nine per cent. agio, and ſometimes to ſink ſo low as par, according as oppoſite intereſts happened to influence the market.

The bank of Amſterdam profeſſes to lend out no part of what is depoſited with it, but, for every gilder for which it gives credit in its books, to keep in its repoſitories the value of a gilder either in money or bullion. That it keeps in its repoſitories all the money or bullion for which there are receipts in force, for which it is at all times liable to be called upon, and which, in reality, is continually going from it and returning to it again, cannot well be doubted. But whether it does ſo likewiſe with regard to that part of

of its capital, for which the receipts are long ago expired, for which in ordinary and quiet times it cannot be called upon, and which in reality is very likely to remain with it for ever, or as long as the States of the United Provinces ſubſiſt, may perhaps appear more uncertain. At Amſterdam, however, no point of faith is better eſtabliſhed than that for every gilder, circulated as bank money, there is a correſpondent gilder in gold or ſilver to be found in the treaſure of the bank. The city is guarantee that it ſhould be ſo. The bank is under the direction of the four reigning burgomaſters, who are changed every year. Each new ſett of burgomaſters viſits the treaſure, compares it with the books, receives it upon oath, and delivers it over, with the ſame awful ſolemnity, to the ſett which ſucceeds it; and in that ſober and religious country oaths are not yet diſregarded. A rotation of this kind ſeems alone a ſufficient ſecurity againſt any practices which cannot be avowed. Amidſt all the revolutions which faction has ever occaſioned in the government of Amſterdam, the prevailing party has at no time accuſed their predeceſſors of infidelity in the adminiſtration of the bank. No accuſation could have affected more deeply the reputation and fortune of the diſgraced party, and if ſuch an accuſation could have been ſupported, we may be aſſured that it would have been brought. In 1672, when the French king was at Utrecht, the bank of Amſterdam paid ſo readily as left no doubt of the fidelity with which it had obſerved its engagements. Some of the pieces which were then brought from its repoſitories appeared to have been ſcorched with the fire which happened in the town-houſe ſoon after the bank was eſtabliſhed. Thoſe pieces, therefore, muſt have lain there from that time.

What may be the amount of the treaſure in the bank is a queſtion which has long employed the ſpeculations of the curious. Nothing but conjecture can be offered concerning it. It is generally reckoned that there are about two thouſand people who keep

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accounts with the bank, and allowing them to have, one with another, the value of fifteen hundred pounds ſterling lying upon their reſpective accounts, (a very large allowance) the whole quantity of bank money, and conſequently of treaſure in the bank, will amount to about three millions ſterling, or, at eleven gilders the pound ſterling, thirty-three millions of gilders; a great ſum, and ſufficient to carry on a very extenſive circulation, but vaſtly below the extravagant ideas which ſome people have formed of this treaſure.

The city of Amſterdam derives a conſiderable revenue from the bank. Beſides what may be called the warehouſe-rent above-mentioned, each perſon, upon firſt opening an account with the bank, pays a fee of ten gilders; and for every new account three gilders three ſtivers; for every transfer two ſtivers; and if the transfer is for leſs than three hundred gilders, ſix ſtivers, in order to diſcourage the multiplicity of ſmall tranſactions. The perſon who neglects to balance his account twice in the year forfeits twenty-five gilders. The perſon who orders a transfer for more than is upon his account, is obliged to pay three per cent. for the ſum overdrawn, and his order is ſet aſide into the bargain. The bank is ſuppoſed too to make a conſiderable profit by the ſale of the foreign coin or bullion which ſometimes falls to it by the expiring of receipts, and which is always kept till it can be ſold with advantage. It makes a profit likewiſe by ſelling bank money at five per cent. agio, and buying it in at four. Theſe different emoluments amount to a good deal more than what is neceſſary for paying the ſalaries of officers, and defraying the expence of management. What is paid for the keeping of bullion upon receipts, is alone ſuppoſed to amount to a neat annual revenue of between one hundred and fifty thouſand and two hundred thouſand gilders. Public utility, however, and not revenue, was the original object of this inſtitution. Its object was to relieve the merchants from the inconvenience of a diſadvantageous exchange. The revenue which has ariſen

ſen from it was unforeſeen, and may be conſidered as accidental. But it is now time to return from this long digreſſion, into which I have been inſenſibly led in endeavouring to explain the reaſons why the exchange between the countries which pay in what is called bank money, and thoſe which pay in common currency, ſhould generally appear to be in favour of the former, and againſt the latter. The former pay in a ſpecies of money of which the intrinſic value is always the ſame, and exactly agreeable to the ſtandard of their reſpective mints; the latter in a ſpecies of money of which the intrinſic value is continually varying, and is almoſt always more or leſs below that ſtandard. But though the computed exchange muſt generally be in favour of the former, the real exchange may frequently be in favour of the latter.

[*End of the Digreſſion concerning Banks of Depoſit.*]

THOUGH the computed exchange between any two places were in every reſpect the ſame with the real, it would not always follow that what is called the balance of trade was in favour of that place which had the ordinary courſe of exchange in its favour. The ordinary courſe of exchange might, indeed, in this caſe, be a tolerable indication of the ordinary ſtate of debt and credit between them, and ſhow which of the two countries uſually had occaſion to ſend out money to the other. But the ordinary ſtate of debt and credit between any two places is not always entirely regulated by the ordinary courſe of their dealings with one another, but is influenced by that of the dealings of both with many other countries. If it was uſual, for example, for the merchants of England to pay the goods which they buy from Hamburgh, Dantzick, Riga, &c. by bills upon Holland, the ordinary ſtate of debt and credit between England and Holland would not be entirely regulated by the ordinary courſe of the dealings of thoſe two countries with one another, but would be influenced by that of England with thoſe other places. England might, in this caſe, be annually obliged to ſend out money to Holland, though its annual

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exports to that country exceeded the annual value of its imports from it, and though what is called the balance of trade was very much in favour of England.

HITHERTO I have been endeavouring to ſhew, even upon the principles of the commercial ſyſtem, how unneceſſary it is to lay extraordinary reſtraints upon the importation of goods from thoſe countries with which the balance of trade is ſuppoſed to be diſadvantageous.

NOTHING, however, can be more abſurd than this whole doctrine of the balance of trade, upon which, not only theſe reſtraints, but almoſt all the other regulations of commerce are founded. When two places trade with one another, this doctrine ſuppoſes that, if the balance be even, neither of them either loſes or gains; but if it leans in any degree to one ſide, that one of them loſes, and the other gains in proportion to its declenſion from the exact equilibrium. Both ſuppoſitions are falſe. A trade which is forced by means of bounties and monopolies, may be, and commonly is diſadvantageous to the country in whoſe favour it is meant to be eſtabliſhed, as I ſhall endeavour to ſhew hereafter. But that trade which, without force or conſtraint, is naturally and regularly carried on between any two places, is always advantageous, though not always equally ſo, to both.

BY advantage or gain, I underſtand, not the increaſe of the quantity of gold and ſilver, but that of the exchangeable value of the annual produce of the land and labour of the country, or the increaſe of the annual revenue of its inhabitants.

IF the balance be even, and if the trade between the two places conſiſt altogether in the exchange of their native commodities, they will, upon moſt occaſions, not only both gain, but they will gain equally, or very near equally: each will in this caſe afford a market for a part of the ſurplus produce of the other: each will replace

replace a capital which had been employed in raiſing this part of the ſurplus produce of the other, and which had been diſtributed among, and given revenue and maintenance to a certain number of its inhabitants. Some part of the inhabitants of each therefore will indirectly derive their revenue and maintenance from the other. As the commodities exchanged too are ſuppoſed to be of equal value, ſo the two capitals employed in the trade will, upon moſt occaſions, be equal, or very nearly equal; and both being employed in raiſing the native commodities of the two countries, the revenue and maintenance which their diſtribution will afford to the inhabitants of each will be equal, or very nearly equal. This revenue and maintenance, thus mutually afforded, will be greater or ſmaller in proportion to the extent of their dealings. If theſe ſhould annually amount to an hundred thouſand pounds, for example, or to a million on each ſide, each of them would afford an annual revenue, in the one caſe, of an hundred thouſand pounds, in the other, of a million, to the inhabitants of the other.

If their trade ſhould be of ſuch a nature that one of them exported to the other nothing but native commodities, while the returns of that other conſiſted altogether in foreign goods; the balance, in this caſe, would ſtill be ſuppoſed even, commodities being paid for with commodities. They would, in this caſe too, both gain, but they would not gain equally; and the inhabitants of the country which exported nothing but native commodities would derive the greateſt revenue from the trade. If England, for example, ſhould import from France nothing but the native commodities of that country, and, not having ſuch commodities of its own as were in demand there, ſhould annually repay them by ſending thither a large quantity of foreign goods, tobacco, we ſhall ſuppoſe, and Eaſt India goods; this trade, though it would give ſome revenue to the inhabitants of both countries, would give more

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more to thoſe of France than to thoſe of England. The whole French capital annually employed in it would annually be diſtributed among the people of France. But that part of the Engliſh capital only which was employed in producing the Engliſh commodities with which thoſe foreign goods were purchaſed, would be annually diſtributed among the people of England. The greater part of it would replace the capitals which had been employed in Virginia, Indoſtan, and China, and which had given revenue and maintenance to the inhabitants of thoſe diſtant countries. If the capitals were equal, or nearly equal, therefore, this employment of the French capital would augment much more the revenue of the people of France, than that of the Engliſh capital would the revenue of the people of England. France would in this caſe carry on a direct foreign trade of conſumption with England; whereas England would carry on a round-about trade of the ſame kind with France. The different effects of a capital employed in the direct, and of one employed in the round-about foreign trade of conſumption, have already been fully explained.

There is not, probably, between any two countries, a trade which conſiſts altogether in the exchange either of native commodities on both ſides, or of native commodities on one ſide and of foreign goods on the other. Almoſt all countries exchange with one another partly native and partly foreign goods. That country, however, in whoſe cargoes there is the greateſt proportion of native, and the leaſt of foreign goods, will always be the principal gainer. If it was not with tobacco and Eaſt India goods, but with gold and ſilver, that England paid for the commodities annually imported from France, the balance, in this caſe, would be ſuppoſed uneven, commodities not being paid for with commodities, but with gold and ſilver. The trade, however, would, in this caſe, as in the foregoing, give ſome revenue to the inhabitants

of both countries, but more to thoſe of France than to thoſe of England. It would give ſome revenue to thoſe of England. The capital which had been employed in producing the Engliſh goods that purchaſed this gold and ſilver, the capital which had been diſtributed among, and given revenue to certain inhabitants of England, would thereby be replaced, and enabled to continue that employment. The whole capital of England would no more be diminiſhed by this exportation of gold and ſilver, than by the exportation of an equal value of any other goods. On the contrary, it would, in moſt caſes, be augmented. No goods are ſent abroad but thoſe for which the demand is ſuppoſed to be greater abroad than at home, and of which the returns conſequently, it is expected, will be of more value at home than the commodities exported. If the tobacco which, in England, is worth only a hundred thouſand pounds, when ſent to France will purchaſe wine which is, in England, worth a hundred and ten thouſand pounds, the exchange will augment the capital of England by ten thouſand pounds. If a hundred thouſand pounds of Engliſh gold, in the ſame manner, purchaſe French wine which, in England, is worth a hundred and ten thouſand, this exchange will equally augment the capital of England by ten thouſand pounds. As a merchant who has a hundred and ten thouſand pounds worth of wine in his cellar, is a richer man than he who has only a hundred thouſand pounds worth of tobacco in his warehouſe, ſo is he likewiſe a richer man than he who has only a hundred thouſand pounds worth of gold in his coffers. He can put into motion a greater quantity of induſtry, and give revenue, maintenance, and employment, to a greater number of people than either of the other two. But the capital of the country is equal to the capitals of all its different inhabitants, and the quantity of induſtry which can be annually maintained in it, is equal to what all thoſe different capitals can maintain. Both the capital of the country, therefore, and

and the quantity of induſtry which can be annually maintained in it, muſt generally be augmented by this exchange. It would, indeed, be more advantageous for England that it could purchaſe the wines of France with its own hardware and broad-cloth, than with either the tobacco of Virginia, or the gold and ſilver of Brazil and Peru. A direct foreign trade of conſumption is always more advantageous than a round-about one. But a round-about foreign trade of conſumption which is carried on with gold and ſilver, does not ſeem to be leſs advantageous than any other equally round-about one. Neither is a country which has no mines more likely to be exhauſted of gold and ſilver by this annual exportation of thoſe metals, than one which does not grow tobacco by the like annual exportation of that plant. As a country which has wherewithal to buy tobacco will never be long in want of it, ſo neither will one be long in want of gold and ſilver which has wherewithal to purchaſe thoſe metals.

It is a loſing trade, it is ſaid, which a workman carries on with the alehouſe; and the trade which a manufacturing nation would naturally carry on with a wine country, may be conſidered as a trade of the ſame nature. I anſwer, that the trade with the alehouſe is not neceſſarily a loſing trade. In its own nature it is juſt as advantageous as any other, though, perhaps, ſomewhat more liable to be abuſed. The employment of a brewer, and even that of a retailer of fermented liquors, are as neceſſary diviſions of labour as any other. It will generally be more advantageous for a workman to buy of the brewer the quantity he has occaſion for than to make it himſelf, and if he is a poor workman, it will generally be more advantageous for him to buy it by little and little of the retailer, than a large quantity of the brewer. He may no doubt buy too much of either, as he may of any other dealers in his neighbourhood, of the butcher, if he is a glutton, or of the draper, if he affects to be a beau among his companions. It is

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advantageous to the great body of workmen notwithſtanding, that all theſe trades ſhould be free, though this freedom may be abuſed in all of them, and is more likely to be ſo, perhaps, in ſome than in others. Though individuals, beſides, may ſometimes ruin their fortunes by an exceſſive conſumption of fermented liquors, there ſeems to be no riſk that a nation ſhould do ſo. Though in every country there are many people who ſpend upon ſuch liquors more than they can afford, there are always many more who ſpend leſs. It deſerves to be remarked too that, if we conſult experience, the cheapneſs of wine ſeems to be a cauſe, not of drunkenneſs, but of ſobriety. The inhabitants of the wine countries are in general the ſobereſt people in Europe; witneſs the Spaniards, the Italians, and the inhabitants of the ſouthern provinces of France. People are ſeldom guilty of exceſs in what is their daily fare. Nobody affects the character of liberality and good fellowſhip, by being profuſe of a liquor which is as cheap as ſmall beer. On the contrary, in the countries which from either exceſſive heat or cold produce no grapes, and where wine conſequently is dear and a rarity, drunkenneſs is a common vice, as among the northern nations, and all thoſe who live between the tropicks, the negroes, for example, on the coaſt of Guinea. When a French regiment comes from ſome of the northern provinces of France, where wine is ſomewhat dear, to be quartered in the ſouthern, where it is very cheap, the ſoldiers, I have frequently heard it obſerved, are at firſt debauched by the cheapneſs and novelty of good wine; but after a few months reſidence, the greater part of them become as ſober as the reſt of the inhabitants. Were the duties upon foreign wines, and the exciſes upon malt, beer, and ale, to be taken away all at once, it might, in the ſame manner, occaſion in Great Britain a pretty general and temporary drunkenneſs among the middling and inferior ranks of people, which would probably be ſoon followed by a permanent and almoſt univerſal

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ſobriety. At preſent drunkenneſs is by no means the vice of people of faſhion, or of thoſe who can eaſily afford the moſt expenſive liquors. A gentleman drunk with ale, has ſcarce ever been ſeen among us. The reſtraints upon the wine trade in Great Britain beſides, do not ſo much ſeem calculated to hinder the people from going, if I may ſay ſo, to the alehouſe, as from going where they can buy the beſt and cheapeſt liquor. They favour the wine trade of Portugal, and diſcourage that of France. The Portugueſe, it is ſaid, indeed, are better cuſtomers for our manufactures than the French, and ſhould therefore be encouraged in preference to them. As they give us their cuſtom, it is pretended, we ſhould give them our's. The ſneaking arts of underling tradeſmen are thus erected into political maxims for the conduct of a great empire: for it is the moſt underling tradeſmen only who make it a rule to employ chiefly their own cuſtomers. A great trader purchaſes his goods always where they are cheapeſt and beſt, without regard to any little intereſt of this kind.

By ſuch maxims as theſe, however, nations have been taught that their intereſt conſiſted in beggaring all their neighbours. Each nation has been made to look with an invidious eye upon the proſperity of all the nations with which it trades, and to conſider their gain as its own loſs. Commerce, which ought naturally to be, among nations, as among individuals, a bond of union and friendſhip, has become the moſt fertile ſource of diſcord and animoſity. The capricious ambition of kings and miniſters has not, during the preſent and the preceeding century, been more fatal to the repoſe of Europe than the impertinent jealouſy of merchants and manufacturers. The violence and injuſtice of the rulers of mankind is an ancient evil, for which, I am afraid the nature of human affairs can ſcarce admit of a remedy. But the mean rapacity, the monopolizing ſpirit of merchants and manufacturers,

facturers, who neither are, nor ought to be the rulers of mankind, though it cannot perhaps be corrected, may very eaſily be prevented from diſturbing the tranquillity of any body but themſelves.

That it was the ſpirit of monopoly which originally both invented and propagated this doctrine, cannot be doubted; and they who firſt taught it were by no means ſuch fools as they who believed it. In every country it always is and muſt be the intereſt of the great body of the people to buy whatever they want of thoſe who ſell it cheapeſt. The propoſition is ſo very manifeſt, that it ſeems ridiculous to take any pains to prove it; nor could it ever have been called in queſtion had not the intereſted ſophiſtry of merchants and manufacturers confounded the common ſenſe of mankind. Their intereſt is, in this reſpect, directly oppoſite to that of the great body of the people. As it is the intereſt of the freemen of a corporation to hinder the reſt of the inhabitants from employing any workmen but themſelves, ſo it is the intereſt of the merchants and manufacturers of every country to ſecure to themſelves the monopoly of the home market. Hence in Great Britain and in moſt other European countries the extraordinary duties upon almoſt all goods imported by alien merchants. Hence the high duties and prohibitions upon all thoſe foreign manufactures which can come into competition with our own. Hence too the extraordinary reſtraints upon the importation of almoſt all ſorts of goods from thoſe countries with which the balance of trade is ſuppoſed to be diſadvantageous; that is, from thoſe againſt whom national animoſity happens to be moſt violently inflamed.

The wealth of a neighbouring nation, however, though dangerous in war and politicks, is certainly advantageous in trade. In a

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ſtate of hoſtility it may enable our enemies to maintain fleets and armies ſuperior to our own; but in a ſtate of peace and commerce it muſt likewiſe enable them to exchange with us to a greater value, and to afford a better market, either for the immediate produce of our own induſtry, or for whatever is purchaſed with that produce. As a rich man is likely to be a better cuſtomer to the induſtrious people in his neighbourhood, than a poor, ſo is likewiſe a rich nation. A rich man, indeed, who is himſelf a manufacturer, is a very dangerous neighbour to all thoſe who deal in the ſame way. All the reſt of the neighbourhood, however, by far the greateſt number, profit by the good market which his expence affords them. They even profit by his underſelling the poorer workmen who deal in the ſame way with him. The manufacturers of a rich nation, in the ſame manner, may no doubt be very dangerous rivals to thoſe of their neighbours. This very competition, however, is advantageous to the great body of the people, who profit greatly beſides by the good market which the great expence of ſuch a nation affords them in every other way. Private people who want to make a fortune, never think of retiring to the remote and poor provinces of the country, but reſort either to the capital or to ſome of the great commercial towns. They know, that where little wealth circulates there is little to be got, but that where a great deal is in motion, ſome ſhare of it may fall to them. The ſame maxims which would in this manner direct the common ſenſe of one, or ten, or twenty individuals, ſhould regulate the judgement of one, or ten, or twenty millions, and ſhould make a whole nation regard the riches of its neighbours, as a probable cauſe and occaſion for itſelf to acquire riches. A nation that would enrich itſelf by foreign trade is certainly moſt likely to do ſo when its neighbours are all rich, induſtrious, and commercial nations. A great nation ſurrounded on

on all ſides by wandering ſavages and poor barbarians might, no doubt, acquire riches by the cultivation of its own lands, and by its own interior commerce, but not by foreign trade. It ſeems to have been in this manner that the ancient Egyptians and the modern Chineſe acquired their great wealth. The ancient Egyptians, it is ſaid, neglected foreign commerce, and the modern Chineſe, it is known, hold it in the utmoſt contempt, and ſcarce deign to afford it the decent protection of the laws. The modern maxims of foreign commerce, by aiming at the impoveriſhment of all our neighbours, ſo far as they are capable of producing their intended effect, tend to render that very commerce inſignificant and contemptible.

THERE is no commercial country in Europe of which the approaching ruin has not frequently been foretold by the pretended doctors of this ſyſtem, from an unfavourable balance of trade. After all the anxiety however which they have excited about this, after all the vain attempts of almoſt all trading nations to turn that balance in their own favour and againſt their neighbours, it does not appear that any one nation in Europe has been in any reſpect impoveriſhed by this cauſe. Every town and country, on the contrary, in proportion as they have opened their ports to all nations; inſtead of being ruined by this free trade, as the principles of the commercial ſyſtem would lead us to expect, have been enriched by it. Though there are in Europe, indeed, a few towns which in ſome reſpects deſerve the name of free ports, there is no country which does ſo. Holland, perhaps, approaches the neareſt to this character of any, though ſtill very remote from it; and Holland, it is acknowledged, not only derives its whole wealth, but a great part of its neceſſary ſubſiſtence, from foreign trade.

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THERE is another balance indeed, which has already been explained, very different from the balance of trade, and which, according as it happens to be either favourable or unfavourable, neceſſarily occaſions the proſperity or decay of every nation. This is the balance of the annual produce and conſumption. If the exchangeable value of the annual produce, it has already been obſerved, exceeds that of the annual conſumption, the capital of the ſociety muſt annually increaſe in proportion to this exceſs. The ſociety in this caſe lives within its revenue, and what is annually ſaved out of its revenue, is naturally added to its capital, and employed ſo as to increaſe ſtill further the annual produce. If the exchangeable value of the annual produce, on the contrary, fall ſhort of the annual conſumption, the capital of the ſociety muſt annually decay in proportion to this deficiency. The expence of the ſociety in this caſe exceeds its revenue, and neceſſarily encroaches upon its capital. Its capital, therefore, muſt neceſſarily decay, and together with it, the exchangeable value of the annual produce of its induſtry.

THIS balance of produce and conſumption is entirely different from, what is called, the balance of trade. It might take place in a nation which had no foreign trade, but which was entirely ſeparated from all the world. It may take place in the whole globe of the earth, of which the wealth, population, and improvement may be either gradually increaſing or gradually decaying.

THE balance of produce and conſumption may be conſtantly in favour of a nation, though what is called the balance of trade be generally againſt it. A nation may import to a greater value than it exports for half a century, perhaps, together; the gold and ſilver which comes into it during all this time may be all immediately ſent out of it; its circulating coin may gradually decay,

different

different ſorts of paper money being ſubſtituted in its place, and even the debts too which it contracts in the principal nations with whom it deals may be gradually increaſing; and yet its real wealth, the exchangeable value of the annual produce of its lands and labour may, during the ſame period, have been increaſing in a much greater proportion. The ſtate of our North American colonies, and the trade which they carried on with Great Britain, before the commencement of the late diſturbances, may ſerve as a proof that this is by no means an impoſſible ſuppoſition.

CHAP. IV.

Of Drawbacks.

MERCHANTS and manufacturers are not contented with the monopoly of the home market, but deſire likewiſe the moſt extenſive foreign ſale for their goods. Their country has no juriſdiction in foreign nations, and therefore can ſeldom procure them any monopoly there. They are generally obliged therefore to content themſelves with petitioning for certain encouragements to exportation.

Of theſe encouragements what are called Drawbacks ſeem to be the moſt reaſonable. To allow the merchant to draw back upon exportation, either the whole or a part of whatever exciſe or inland duty is impoſed upon domeſtick induſtry, can never occaſion the exportation of a greater quantity of goods than what would have been exported had no duty been impoſed. Such encouragements do not tend to turn towards any particular employment a greater ſhare of the capital of the country, than what would go

to

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to it of its own accord, but only to hinder the duty from driving away any part of that ſhare to other employments. They tend not to overturn that balance which naturally eſtabliſhes itſelf among all the various employments of the ſociety; but to hinder it from being overturned by the duty. They tend not to deſtroy but to preſerve, what it is in moſt caſes advantageous to preſerve, the natural diviſion and diſtribution of labour in the ſociety.

The ſame thing may be ſaid of the drawacks upon the re-exportation of foreign goods imported; which in Great Britain generally amount to by much the largeſt part of the duty upon importation. Half the duties impoſed by what is called the old ſubſidy, are drawn back univerſally, except upon goods exported to the Britiſh plantations; and frequently the whole, almoſt always a part of thoſe impoſed by later ſubſidies and impoſts. Drawbacks were, perhaps, originally granted for the encouragement of the carrying trade, which, as the freight of the ſhips is frequently paid by foreigners in money, was ſuppoſed to be peculiarly fitted for bringing gold and ſilver into the country. But though the carrying trade certainly deſerves no peculiar encouragement, though the motive of the inſtitution was, perhaps, abundantly fooliſh, the inſtitution itſelf ſeems reaſonable enough. Such drawbacks cannot force into this trade a greater ſhare of the capital of the country than what would have gone to it of its own accord, had there been no duties upon importation. They only prevent its being excluded altogether by thoſe duties. The carrying trade, though it deſerves no preference, ought not to be precluded, but to be left free like all other trades. It is a neceſſary reſource for thoſe capitals which cannot find employment either in the agriculture or in the manufactures of the country, either in its home trade or in its foreign trade of conſumption.

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The revenue of the cuſtoms, inſtead of ſuffering, profits from ſuch drawbacks, by that part of the duty which is retained. If the whole duties had been retained, the foreign goods upon which they are paid, could ſeldom have been exported, and conſequently imported, for want of a market. The duties, therefore, of which a part is retained, would never have been paid.

These reaſons ſeem ſufficiently to juſtify drawbacks, and would juſtify them, though the whole duties, whether upon the produce of domeſtick induſtry, or upon foreign goods, were always drawn back upon exportation. The revenue of excife would in this caſe, indeed, ſuffer a little, and that of the cuſtoms a good deal more; but the natural balance of induſtry, the natural diviſion and diſtribution of labour, which is always more or leſs diſturbed by ſuch duties, would be more nearly re-eſtabliſhed by ſuch a regulation.

These reaſons, however, will juſtify drawbacks only upon exporting goods to thoſe countries which are altogether foreign and independent, not to thoſe in which our merchants and manufacturers enjoy a monopoly. A drawback, for example, upon the exportation of European goods to our American colonies, will not always occaſion a greater exportation than what would have taken place without it. By means of the monopoly which our merchants and manufacturers enjoy there, the ſame quantity might frequently, perhaps, be ſent thither, though the whole duties were retained. The drawback, therefore, may frequently be pure loſs to the revenue of exciſe and cuſtoms, without altering the ſtate of the trade, or rendering it in any reſpect more extenſive. How far ſuch drawbacks can be juſtified, as a proper encouragement to the induſtry of our colonies, or how far it is

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advantageous to the mother country, that they ſhould be exempted from taxes which are paid by all the reſt of their fellow ſubjects, will appear hereafter when I come to treat of colonies.

DRAWBACKS however, it muſt always be underſtood, are uſeful only in thoſe caſes in which the goods for the exportation of which they are given, are really exported to ſome foreign country; and not clandeſtinely reimported into our own. That ſome drawbacks, particularly thoſe upon tobacco, have frequently been abuſed in this manner, and have given occaſion to many frauds equally hurtful both to the revenue and to the fair trader, is well known.

CHAP. V.

Of Bounties.

BOUNTIES upon exportation are, in Great Britain, frequently petitioned for, and ſometimes granted to the produce of particular branches of domeſtick induſtry. By means of them our merchants and manufacturers, it is pretended, will be enabled to ſell their goods as cheap or cheaper than their rivals in the foreign market. A greater quantity, it is ſaid, will thus be exported, and the balance of trade conſequently turned more in favour of our own country. We cannot give our workmen a monopoly in the foreign, as we have done in the home market. We cannot force foreigners to buy their goods, as we have done our own countrymen. The next beſt expedient, it has been thought, therefore, is to pay them for buying. It is in this manner that the mercantile ſyſtem propoſes to enrich the whole country, and to put money into all our pockets by means of the balance of trade.

BOUNTIES,

Bounties, it is allowed, ought to be given to thoſe branches of trade only which cannot be carried on without them. But every branch of trade in which the merchant can ſell his goods for a price which replaces to him, with the ordinary profits of ſtock, the whole capital employed in preparing and ſending them to market, can be carried on without a bounty. Every ſuch branch is evidently upon a level with all the other branches of trade which are carried on without bounties, and cannot therefore require one more than they. Thoſe trades only require bounties in which the merchant is obliged to ſell his goods for a price which does not replace to him his capital, together with the ordinary profit; or in which he is obliged to ſell them for leſs than it really coſts him to ſend them to market. The bounty is given in order to make up this loſs, and to encourage him to continue, or perhaps to begin, a trade of which the expence is ſuppoſed to be greater than the returns, of which every operation eats up a part of the capital employed in it, and which is of ſuch a nature, that, if all other trades reſembled it, there would ſoon be no capital left in the country.

The trades, it is to be obſerved, which are carried on by means of bounties, are the only ones which can be carried on between two nations for any conſiderable time together, in ſuch a manner as that one of them ſhall always and regularly loſe, or ſell its goods for leſs than it really coſts to ſend them to market. But if the bounty did not repay to the merchant what he would otherwiſe loſe upon the price of his goods, his own intereſt would ſoon oblige him to employ his ſtock in another way, or to find out a trade in which the price of the goods would replace to him, with the ordinary profit, the capital employed in ſending them to market. The effect of bounties, like that of all the other expedients of the mercantile ſyſtem, can only be to force the trade of a country into a

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channel much leſs advantageous than that in which it would naturally run of its own accord.

The ingenious and well informed author of the tracts upon the corn trade has ſhown very clearly, that ſince the bounty upon the exportation of corn was firſt eſtabliſhed, the price of the corn exported, valued moderately enough, has exceeded that of the corn imported, valued very high, by a much greater ſum than the amount of the whole bounties which have been paid during that period. This, he imagines, upon the true principles of the mercantile ſyſtem, is a clear proof that this forced corn trade is beneficial to the nation; the value of the exportation exceeding that of the importation by a much greater ſum than the whole extraordinary expence which the publick has been at in order to get it exported. He does not conſider that this extraordinary expence, or the bounty, is the ſmalleſt part of the expence which the exportation of corn really coſts the ſociety. The capital which the farmer employed in raiſing it muſt likewiſe be taken into the account. Unleſs the price of the corn when ſold in the foreign markets replaces, not only the bounty, but this capital, together with the ordinary profits of ſtock, the ſociety is a loſer by the difference, or the national ſtock is ſo much diminiſhed. But the very reaſon for which it has been thought neceſſary to grant a bounty is the ſuppoſed inſufficiency of the price to do this.

The average price of corn, it has been ſaid, has fallen conſiderably ſince the eſtabliſhment of the bounty. That the average price of corn began to fall ſomewhat towards the end of the laſt century, and has continued to do ſo during the courſe of the ſixty-four firſt years of the preſent, I have already endeavoured to ſhow. But this event, ſuppoſing it to be as real as I believe it to be, muſt have happened in ſpite of the bounty, and cannot poſſibly have happened in conſequence of it.

In years of plenty, it has already been obſerved, the bounty, by occaſioning an extraordinary exportation, neceſſarily keeps up the price of corn in the home market above what it would naturally fall to. To do ſo was the avowed purpoſe of the inſtitution. In years of ſcarcity, though the bounty is frequently ſuſpended, yet the great exportation which it occaſions in years of plenty, muſt frequently hinder more or leſs the plenty of one year from relieving the ſcarcity of another. Both in years of plenty, and in years of ſcarcity, therefore, the bounty neceſſarily tends to raiſe the money price of corn ſomewhat higher than it otherwiſe would be in the home market.

That, in the actual ſtate of tillage, the bounty muſt neceſſarily have this tendency, will not, I apprehend, be diſputed by any reaſonable perſon. But it has been thought by many people, that by ſecuring to the farmer a better price than he could otherwiſe expect in the actual ſtate of tillage, it tends to encourage tillage; and that the conſequent increaſe of corn may, in a long period of years, lower its price more than the bounty can raiſe it in the actual ſtate which tillage may, at the end of that period, happen to be in.

I answer, that this might be the caſe if the effect of the bounty was to raiſe the real price of corn, or to enable the farmer with an equal quantity of it to maintain a greater number of labourers in the ſame manner, whether liberal, moderate, or ſcanty, that other labourers are commonly maintained in his neighbourhood. But neither the bounty, it is evident, nor any other human inſtitution, can have any ſuch effect. It is not the real, but the nominal price of corn only, which can be at all affected by the bounty.

The real effect of the bounty is not ſo much to raiſe the real value of corn, as to degrade the real value of ſilver; or to make an equal quantity of it exchange for a ſmaller quantity, not only of corn,

corn, but of all other commodities: for the money price of corn regulates that of all other commodities.

It regulates the money price of labour, which muſt always be ſuch as to enable the labourer to purchaſe a quantity of corn ſufficient to maintain him and his family either in the liberal, moderate, or ſcanty manner in which the advancing, ſtationary, or declining circumſtances of the ſociety oblige his employers to maintain him.

It regulates the money price of all the other parts of the rude produce of land, which, in every period of improvement, muſt bear a certain proportion to that of corn, though this proportion is different in different periods. It regulates, for example, the money price of graſs and hay, of butcher's meat, of horſes, and the maintenance of horſes, of land carriage conſequently, or of the greater part of the inland commerce of the country.

By regulating the money price of all the other parts of the rude produce of land, it regulates that of the materials of all manufactures. By regulating the money price of labour, it regulates that of manufacturing art and induſtry. And by regulating both, it regulates that of the compleat manufacture. The money price of labour, and of every thing that is the produce either of land or labour, muſt neceſſarily either riſe or fall in proportion to the money price of corn.

Though in conſequence of the bounty, therefore, the farmer ſhould be enabled to ſell his corn for four ſhillings the buſhel inſtead of three and ſixpence, and to pay his landlord a money rent proportionable to this riſe in the money price of his produce; yet, if in conſequence of this riſe in the price of corn, four ſhillings will purchaſe no more goods of any other kind than three and ſixpence

pence would have done before, neither the circumſtances of the farmer, nor thoſe of the landlord, will be in the ſmalleſt degree mended by this change. The farmer will not be able to cultivate better: the landlord will not be able to live better.

That degradation in the value of ſilver which is the effect of the fertility of the mines, and which operates equally, or very near equally, through the greater part of the commercial world, is a matter of very little conſequence to any particular country. The conſequent riſe of all money prices, though it does not make thoſe who receive them really richer, does not make them really poorer. A ſervice of plate becomes really cheaper, and every thing elſe remains preciſely of the ſame real value as before.

But that degradation in the value of ſilver which, being the effect either of the peculiar ſituation, or of the political inſtitutions of a particular country, takes place only in that country, is a matter of very great conſequence, which, far from tending to make any body really richer, tends to make every body really poorer. The riſe in the money price of all commodities, which is in this caſe peculiar to that country, tends to diſcourage more or leſs every ſort of induſtry which is carried on within it, and to enable foreign nations, by furniſhing almoſt all ſorts of goods for a ſmaller quantity of ſilver than its own workmen can afford to do, to underſell them, not only in the foreign, but even in the home market.

It is the peculiar ſituation of Spain and Portugal, as proprietors of the mines, to be the diſtributors of gold and ſilver to all the other countries of Europe. Thoſe metals ought naturally, therefore, to be ſomewhat cheaper in Spain and Portugal than in any other part of Europe. The difference, however, ſhould be no

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more than the amount of the freight and infurance; and, on account of the great value and ſmall bulk of thoſe metals, their freight is no great matter, and their infurance is the ſame as that of any other goods of equal value. Spain and Portugal, therefore, could ſuffer very little from their peculiar ſituation, if they did not aggravate its diſadvantages by their political inſtitutions.

Spain by taxing, and Portugal by prohibiting the exportation of gold and ſilver, load that exportation with the expence of ſmuggling, and raiſe the value of thoſe metals in other countries ſo much more above what it is in their own, by the whole amount of this expence. When you dam up a ſtream of water, as ſoon as the dam is full, as much water muſt run over the dam-head as if there was no dam at all. The prohibition of exportation cannot detain a greater quantity of gold and ſilver in Spain and Portugal than what they can afford to employ, than what the annual produce of their land and labour will allow them to employ, in coin, plate, gilding, and other ornaments of gold and ſilver. When they have got this quantity the dam is full, and the whole ſtream which flows in afterwards muſt run over. The annual exportation of gold and ſilver from Spain and Portugal accordingly is, by all accounts, notwithſtanding theſe reſtraints, very near equal to the whole annual importation. As the water, however, muſt always be deeper behind the dam-head than before it, ſo the quantity of gold and ſilver which theſe reſtraints detain in Spain and Portugal muſt, in proportion to the annual produce of their land and labour, be greater that what is to be found in other countries. The higher and ſtronger the dam-head, the greater muſt be the difference in the depth of water behind and before it. The higher the tax, the higher the penalties with which the prohibition is guarded, the more vigilant and ſevere the police which looks after the execution of the law, the greater muſt be the difference in the

proportion of gold and ſilver to the annual produce of the land and labour of Spain and Portugal, and to that of other countries. It is ſaid accordingly to be very conſiderable, and that you frequently find there a profuſion of plate in houſes, where there is nothing elſe which would, in other countries, be thought ſuitable or correſpondent to this ſort of magnificence. The cheapneſs of gold and ſilver, or, what is the ſame thing, the dearneſs of all commodities, which is the neceſſary effect of this redundancy of the precious metals, diſcourages both the agriculture and manufactures of Spain and Portugal, and enables foreign nations to ſupply them with many ſorts of rude, and with almoſt all ſorts of manufactured produce, for a ſmaller quantity of gold and ſilver than what they themſelves can either raiſe or make them for at home. The tax and prohibition operate in two different ways. They not only lower very much the value of the precious metals in Spain and Portugal, but by detaining there a certain quantity of thoſe metals which would otherwiſe flow over other countries, they keep up their value in thoſe other countries ſomewhat above what it otherwiſe would be, and thereby give thoſe countries a double advantage in their commerce with Spain and Portugal. Open the floodgates and there will preſently be leſs water above, and more below, the dam-head, and it will ſoon come to a level in both places. Remove the tax and the prohibition, and as the quantity of gold and ſilver will diminiſh conſiderably in Spain and Portugal, ſo it will increaſe ſomewhat in other countries, and the value of thoſe metals, their proportion to the annual produce of land and labour, will ſoon come to a level, or very near to a level, in all. The loſs which Spain and Portugal could ſuſtain by this exportation of their gold and ſilver would be altogether nominal and imaginary. The nominal value of their goods, and of the annual produce of their land and labour would fall, and would be expreſſed or repreſented by a ſmaller quantity of ſilver than before: but their real value would

be the ſame as before, and would be ſufficient to maintain, command, and employ, the ſame quantity of labour. As the nominal value of their goods would fall, the real value of what remained of their gold and ſilver would riſe, and a ſmaller quantity of thoſe metals would anſwer all the ſame purpoſes of commerce and circulation which had employed a greater quantity before. The gold and ſilver which would go abroad would not go abroad for nothing, but would bring back an equal value of goods of ſome kind or another. Thoſe goods too would not be all matters of mere luxury and expence, to be conſumed by idle people who produce nothing in return for their conſumption. As the real wealth and revenue of idle people would not be augmented by this extraordinary exportation of gold and ſilver, ſo neither would their conſumption be much augmented by it. Thoſe goods would, probably, the greater part of them, and certainly ſome part of them, conſiſt in materials, tools, and proviſions, for the employment and maintenance of induſtrious people, who would reproduce, with a profit, the full value of their conſumption. A part of the dead ſtock of the ſociety would thus be turned into active ſtock, and would put into motion a greater quantity of induſtry than had been employed before. The annual produce of their land and labour would immediately be augmented a little, and in a few years would, probably, be augmented a great deal; their induſtry being thus relieved from one of the moſt oppreſſive burdens which it at preſent labours under.

THE bounty upon the exportation of corn neceſſarily operates exactly in the ſame way as this abſurd policy of Spain and Portugal. Whatever be the actual ſtate of tillage, it renders our corn ſomewhat dearer in the home market than it otherwiſe would be in that ſtate, and ſomewhat cheaper in the foreign; and as the average money price of corn regulates more or leſs that of all

all other commodities, it lowers the value of ſilver conſiderably in the one, and tends to raiſe it a little in the other. It enables foreigners, the Dutch in particular, not only to eat our corn cheaper than they otherwiſe could do, but ſometimes to eat it cheaper than even our own people can do upon the ſame occaſions; as we are aſſured by an excellent authority, that of Sir Mathew Decker. It hinders our own workmen from furniſhing their goods for ſo ſmall a quantity of ſilver as they otherwiſe might do; and enables the Dutch to furniſh their's for a ſmaller. It tends to render our manufactures ſomewhat dearer in every market, and their's ſomewhat cheaper than they otherwiſe would be, and conſequently to give their induſtry a double advantage over our own.

The bounty, as it raiſes in the home market, not the real, but only the nominal price of our corn, as it augments, not the quantity of labour which a certain quantity of corn can maintain and employ, but only the quantity of ſilver which it will exchange for, it diſcourages our manufactures without rendering the ſmalleſt real ſervice either to our farmers or country gentlemen. It puts, indeed, a little more money into the pockets of both, and it will perhaps be ſomewhat difficult to perſuade the greater part of them that this is not rendering them a very real ſervice. But if this money ſinks in its value, in the quantity of labour, proviſions, and commodities of all different kinds which it is capable of purchaſing, as much as it riſes in its quantity, the ſervice will be merely nominal and imaginary.

There is, perhaps, but one ſet of men in the whole commonwealth to whom the bounty either was or could be really ſerviceable. Theſe were the corn merchants, the exporters and importers of corn. In years of plenty the bounty neceſſarily

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occaſioned a greater exportation than would otherwiſe have taken place; and by hindering the plenty of one year from relieving the ſcarcity of another, it occaſioned in years of ſcarcity a greater importation than would otherwiſe have been neceſſary. It increaſed the buſineſs of the corn merchant in both, and in years of ſcarcity it not only enabled him to import a greater quantity, but to ſell it for a better price, and conſequently with a greater profit than he could otherwiſe have made, if the plenty of one year had not been more or leſs hindered from relieving the ſcarcity of another. It is in this ſett of men, accordingly, that I have obſerved the greateſt zeal for the continuance or renewal of the bounty.

Our country gentlemen, when they impoſed the high duties upon the importation of foreign corn, which in times of moderate plenty amount to a prohibition, and when they eſtabliſhed the bounty, ſeem to have imitated the conduct of our manufacturers. By the one inſtitution, they ſecured to themſelves the monopoly of the home market, and by the other they endeavoured to prevent that market from ever being overſtocked with their commodity. By both they endeavoured to raiſe its real value, in the ſame manner as our manufacturers had, by the like inſtitutions, raiſed the real value of many different ſorts of manufactured goods. They did not perhaps attend to the great and eſſential difference which nature has eſtabliſhed between corn and almoſt every other ſort of goods. When either by the monopoly of the home market, or by a bounty upon exportation, you enable our woollen or linen manufacturers to ſell their goods for ſomewhat a better price than they otherwiſe could get for them, you raiſe, not only the nominal, but the real price of thoſe goods. You render them equivalent to a greater quantity of labour and ſubſiſtence, you increaſe, not only the nominal, but the real profit, the real wealth and revenue

revenue of thoſe manufacturers, and you enable them either to live better themſelves, or to employ a greater quantity of labour in thoſe particular manufactures. You really encourage thoſe manufactures, and direct towards them a greater quantity of the induſtry of the country, than what would probably go to them of its own accord. But when by the like inſtitutions you raiſe the nominal or money price of corn, you do not raiſe its real value. You do not increaſe the real wealth, the real revenue either of our farmers or country gentlemen. You do not encourage the growth of corn, becauſe you do not enable them to maintain and employ more labourers in raiſing it. The nature of things has ſtamped upon corn a real value which no human inſtitution can alter. No bounty upon exportation, no monopoly of the home market can raiſe it. The freeſt competition cannot lower it. Through the world in general that value is equal to the quantity of labour which it can maintain, and in every particular place it is equal to the quantity of labour which it can maintain in the way, whether liberal, moderate, or ſcanty, in which labour is commonly maintained in that place. Woollen or linen cloth are not the regulating commodities by which the real value of all other commodities muſt be finally meaſured and determined. Corn is. The real value of every other commodity is finally meaſured and determined by the proportion which its average money price bears to the average money price of corn. The real value of corn does not vary with thoſe variations in its average money price, which ſometimes occur from one century to another. It is the real value of ſilver which varies with them.

Bounties upon the exportation of any home-made commodity are liable, firſt, to that general objection which may be made to all the different expedients of the mercantile ſyſtem; the objection of forcing ſome part of the induſtry of the country into a channel leſs

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leſs advantageous than that in which it would run of its own accord: and, ſecondly, to the particular objection of forcing it, not only into a channel that is leſs advantageous, but into one that is actually diſadvantageous; the trade which cannot be carried on but by means of a bounty being neceſſarily a loſing trade. The bounty upon the exportation of corn is liable to this further objection, that it can in no reſpect promote the raiſing of that particular commodity of which it was meant to encourage the production. When our country gentlemen, therefore, demanded the eſtabliſhment of the bounty, though they acted in imitation of our merchants and manufacturers, they did not act with that compleat comprehenſion of their own intereſt which commonly directs the conduct of thoſe two other orders of people. They loaded the publick revenue with a very conſiderable expence; but they did not in any reſpect increaſe the real value of their own commodity, and by lowering ſomewhat the real value of ſilver they diſcouraged in ſome degree the general induſtry of the country, and inſtead of advancing, retarded more or leſs the improvement of their own lands, which neceſſarily depends upon the general induſtry of the country.

To encourage the production of any commodity, a bounty upon production, one ſhould imagine, would have a more direct operation than one upon exportation. It has, however, been more rarely granted. The prejudices eſtabliſhed by the commercial ſyſtem have taught us to believe that national wealth ariſes more immediately from exportation than from production. It has been more favoured accordingly, as the more immediate means of bringing money into the country. Bounties upon production, it has been ſaid too, have been found by experience more liable to frauds than thoſe upon exportation. How far this is true, I know not. That bounties upon exportation have been abuſed to many fraudulent

fraudulent purpoſes, is very well known. But it is not the intereſt of merchants and manufacturers, the great inventors of all theſe expedients, that the home market ſhould be overſtocked with their goods, an event which a bounty upon production might ſometimes occaſion. A bounty upon exportation, by enabling them to ſend abroad the ſurplus part, and to keep up the price of what remains in the home market, effectually prevents this. Of all the expedients of the mercantile ſyſtem, accordingly, it is the one of which they are the fondeſt. I have known the different undertakers of ſome particular works agree privately among themſelves to give a bounty out of their own pockets upon the exportation of a certain proportion of the goods which they dealt in. This expedient ſucceeded ſo well that it more than doubled the price of their goods in the home market, notwithſtanding a very conſiderable increaſe in the produce. The operation of the bounty upon corn muſt have been wonderfully different, if it has lowered the money price of that commodity.

SOMETHING like a bounty upon production, however, has been granted upon ſome particular occaſions. The encouragements given to the white-herring and whale-fiſheries may, perhaps, be conſidered as ſomewhat of this nature. They tend directly to render the goods cheaper in the home market than they otherwiſe would be in the actual ſtate of production. In other reſpects their effects are the ſame as thoſe of bounties upon exportation. By means of them a part of the capital of the country is employed in bringing goods to market, of which the price does not repay the coſt, together with the ordinary profits of ſtock. But though the bounties to thoſe fiſheries do not contribute to the opulence of the nation, they may perhaps be defended as conducing to its defence, by augmenting the number of its ſailors and ſhipping. This may frequently be done by means of ſuch bounties,

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bounties, at a much ſmaller expence than by keeping up a great ſtanding navy, if I may uſe ſuch an expreſſion, in time of peace, in the ſame manner as a ſtanding army.

Some other bounties may be vindicated perhaps upon the ſame principle. It is of importance that the kingdom ſhould depend as little as poſſible upon its neighbours for the manufactures neceſſary for its defence; and if theſe cannot otherwiſe be maintained at home, it is reaſonable that all other branches of induſtry ſhould be taxed in order to ſupport them. The bounties upon the importation of naval ſtores from America, upon Britiſh made ſail-cloth, and upon Britiſh made gunpowder, may perhaps all three be vindicated upon this principle. The firſt is a bounty upon the production of America, for the uſe of Great Britain. The two others are bounties upon exportation.

What is called a bounty is ſometimes no more than a drawback, and conſequently is not liable to the ſame objections as what is properly a bounty. The bounty, for example, upon refined ſugar exported may be conſidered as a drawback of the duties upon the brown and muſcovado ſugars, from which it is made. The bounty upon wrought ſilk exported, a drawback of the duties upon raw and thrown ſilk imported. The bounty upon gunpowder exported, a drawback of the duties upon brimſtone and ſaltpetre imported. In the language of the cuſtoms thoſe allowances only are called drawbacks, which are given upon goods exported in the ſame form in which they are imported. When that form has been altered by manufacture of any kind, they are called bounties.

Premiums given by the publick to artiſts and manufacturers who excell in their particular occupations, are not liable to the ſame objections as bounties. By encouraging extraordinary dexterity

terity and ingenuity, they ſerve to keep up the emulation of the workmen actually employed in thoſe reſpective occupations, and are not conſiderable enough to turn towards any one of them a greater ſhare of the capital of the country than what would go to it of its own accord. Their tendency is not to overturn the natural balance of employments, but to render the work which is done in each as perfect and compleat as poſſible. The expence of premiums, beſides, is very trifling; that of bounties very great. The bounty upon corn alone has ſometimes coſt the publick in one year, more than three hundred thouſand pounds.

Bounties are ſometimes called premiums, as drawbacks are ſometimes called bounties. But we muſt in all caſes attend to the nature of the thing, without paying any regard to the word.

I cannot conclude this chapter concerning bounties, without obſerving that the praiſes which have been beſtowed upon the law which eſtabliſhes the bounty upon the exportation of corn, and upon that ſyſtem of regulations which is connected with it, are altogether unmerited. A particular examination of the nature of the corn trade, and of the principal Britiſh laws which relate to it, will ſufficiently demonſtrate the truth of this aſſertion. The great importance of this ſubject muſt juſtify the length of the digreſſion.

The trade of the corn merchant is compoſed of four different branches, which, though they may ſometimes be all carried on by the ſame perſon, are in their own nature four ſeparate and diſtinct trades. Theſe are, firſt, the trade of the inland dealer; ſecondly, that of the merchant importer for home conſumption; thirdly, that of the merchant exporter of home produce for foreign conſumption; and, fourthly, that of the merchant carrier, or of the importer of corn in order to export it again.

I. The intereſt of the inland dealer, and that of the great body of the people, how oppoſite ſoever they may at firſt ſight appear, are, even in years of the greateſt ſcarcity, exactly the ſame. It is his intereſt to raiſe the price of his corn as high as the real ſcarcity of the ſeaſon requires, and it can never be his intereſt to raiſe it higher. By raiſing the price he diſcourages the conſumption, and puts every body more or leſs, but particularly the inferior ranks of people, upon thrift and good management. If, by raiſing it too high, he diſcourages the conſumption ſo much that the ſupply of the ſeaſon is likely to go beyond the conſumption of the ſeaſon, and to laſt for ſome time after the next crop begins to come in, he runs the hazard, not only of loſing a conſiderable part of his corn by natural cauſes, but of being obliged to ſell what remains of it for much leſs than what he might have had for it ſeveral months before. If by not raiſing the price high enough he diſcourages the conſumption ſo little, that the ſupply of the ſeaſon is likely to fall ſhort of the conſumption of the ſeaſon, he not only loſes a part of the profit which he might otherwiſe have made, but he expoſes the people to ſuffer before the end of the ſeaſon, inſtead of the hardſhips of a dearth, the dreadful horrors of a famine. It is the intereſt of the people that their daily, weekly, and monthly conſumption, ſhould be proportioned as exactly as poſſible to the ſupply of the ſeaſon. The intereſt of the inland corn dealer is the ſame. By ſupplying them, as nearly as he can judge, in this proportion, he is likely to ſell all his corn for the higheſt price, and with the greateſt profit; and his knowledge of the ſtate of the crop, and of his daily, weekly, and monthly ſales, enable him to judge, with more or leſs accuracy, how far they really are ſupplied in this manner. Without intending the intereſt of the people, he is neceſſarily led, by a regard to his own intereſt, to treat them, even in years of ſcarcity, pretty much in the ſame manner as the prudent maſter of a veſſel is ſometimes obliged to treat his crew. When he

he foreſees that proviſions are likely to run ſhort, he puts them upon ſhort allowance. Though from exceſs of caution he ſhould ſometimes do this without any real neceſſity, yet all the inconveniencies which his crew can thereby ſuffer are inconſiderable in compariſon of the danger, miſery, and ruin, to which they might ſometimes be expoſed by a leſs provident conduct. Though from exceſs of avarice, in the ſame manner, the inland corn merchant ſhould ſometimes raiſe the price of his corn ſomewhat higher than the ſcarcity of the ſeaſon requires, yet all the inconveniencies which the people can ſuffer from this conduct, which effectually ſecures them from a famine in the end of the ſeaſon, are inconſiderable in compariſon of what they might have been expoſed to by a more liberal way of dealing in the beginning of it. The corn merchant himſelf is likely to ſuffer the moſt by this exceſs of avarice; not only from the indignation which it generally excites againſt him, but, though he ſhould eſcape the effects of this indignation, from the quantity of corn which it neceſſarily leaves upon his hands in the end of the ſeaſon, and which, if the next ſeaſon happens to prove favourable, he muſt always ſell for a much lower price than he might otherwiſe have had.

WERE it poſſible, indeed, for one great company of merchants to poſſeſs themſelves of the whole crop of an extenſive country, it might, perhaps, be their intereſt to deal with it as the Dutch are ſaid to do with the ſpiceries of the Molluccas, to deſtroy or throw away a conſiderable part of it, in order to keep up the price of the reſt. But it is ſcarce poſſible, even by the violence of law, to eſtabliſh ſuch an extenſive monopoly with regard to corn; and, wherever the law leaves the trade free, it is of all commodities the leaſt liable to be engroſſed or monopoliſed by the force of a few large capitals, which buy up the greater part of it. Not only its value far exceeds what the capitals of a few private men are capable of

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purchaſing, but, ſuppoſing they were capable of purchaſing it, the manner in which it is produced renders this purchaſe altogether impracticable. As in every civilized country it is the commodity of which the annual conſumption is the greateſt, ſo a greater quantity of induſtry is annually employed in producing corn than in producing any other commodity. When it firſt comes from the ground too, it is neceſſarily divided among a greater number of owners than any other commodity; and theſe owners can never be collected into one place like a number of independent manufacturers, but are neceſſarily ſcattered through all the different corners of the country. Theſe firſt owners either immediately ſupply the conſumers in their own neighbourhood, or they ſupply other inland dealers who ſupply thoſe conſumers. The inland dealers in corn, therefore, including both the farmer and the baker, are neceſſarily more numerous than the dealers in any other commodity, and their diſperſed ſituation renders it altogether impoſſible for them to enter into any general combination. If in a year of ſcarcity, therefore, any of them ſhould find that he had a good deal more corn upon hand than, at the current price, he could hope to diſpoſe of before the end of the ſeaſon, he would never think of keeping up this price to his own loſs, and to the ſole benefit of his rivals and competitors, but would immediately lower it in order to get rid of his corn before the new crop began to come in. The ſame motives, the ſame intereſts, which would thus regulate the conduct of any one dealer, would regulate that of every other, and oblige them all in general to ſell their corn at the price which, according to the beſt of their judgement, was moſt ſuitable to the ſcarcity or plenty of the ſeaſon.

WHOEVER examines, with attention, the hiſtory of the dearths and famines which have afflicted any part of Europe, during either the courſe of the preſent or that of the two preceeding centuries,

of

of ſeveral of which we have pretty exact accounts, will find, I believe, that a dearth never has ariſen from any combination among the inland dealers in corn, nor from any other cauſe but a real ſcarcity, occaſioned ſometimes perhaps, and in ſome particular places, by the waſte of war, but in by far the greateſt number of caſes, by the fault of the ſeaſons; and that a famine has never ariſen from any other cauſe but the violence of government attempting, by improper means, to remedy the inconveniencies of a dearth.

In an extenſive corn country, between all the different parts of which there is a free commerce and communication, the ſcarcity occaſioned by the moſt unfavourable ſeaſons can never be ſo great as to produce a famine; and the ſcantieſt crop, if managed with frugality and œconomy, will maintain, through the year, the ſame number of people that are commonly fed in a more affluent manner by one of moderate plenty. The ſeaſons moſt unfavourable to the crop are thoſe of exceſſive drought or exceſſive rain. But, as corn grows equally upon high and low lands, upon grounds that are diſpoſed to be too wet, and upon thoſe that are diſpoſed to be too dry, either the drought or the rain which is hurtful to one part of the country is favourable to another; and though both in the wet and in the dry ſeaſon the crop is a good deal leſs than in one more properly tempered, yet in both what is loſt in one part of the country is in ſome meaſure compenſated by what is gained in the other. In rice countries, where the crop not only requires a very moiſt ſoil, but where in a certain period of its growing it muſt be laid under water, the effects of a drought are much more diſmal. Even in ſuch countries, however, the drought is, perhaps, ſcarce ever ſo univerſal as neceſſarily to occaſion a famine, if the government would allow a free trade. The drought in Bengal, a few years ago, might probably have occaſioned a very great dearth. Some improper regulations, ſome injudicious reſtraints impoſed by the

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the ſervants of the Eaſt India Company upon the rice trade, contributed, perhaps, to turn that dearth into a famine.

When the government, in order to remedy the inconveniencies of a dearth, orders all the dealers to ſell their corn at what it ſuppoſes a reaſonable price, it either hinders them from bringing it to market, which may ſometimes produce a famine, even in the beginning of the ſeaſon; or if they bring it thither, it enables the people, and thereby encourages them to conſume it ſo faſt, as muſt neceſſarily produce a famine before the end of the ſeaſon. The unlimited, unreſtrained freedom of the corn trade, as it is the only effectual preventative of the miſeries of a famine, ſo it is the beſt palliative of the inconveniencies of a dearth; for the inconveniencies of a real ſcarcity cannot be remedied; they can only be palliated. No trade deſerves more the full protection of the law, and no trade requires it ſo much; becauſe no trade is ſo much expoſed to popular odium.

In years of ſcarcity the inferior ranks of people impute their diſtreſs to the avarice of the corn merchant, who becomes the object of their hatred and indignation. Inſtead of making profit upon ſuch occaſions, therefore, he is often in danger of being utterly ruined, and of having his magazines plundered and deſtroyed by their violence. It is in years of ſcarcity, however, when prices are high, that the corn merchant expects to make his principal profit. He is generally in contract with ſome farmers to furniſh him for a certain number of years with a certain quantity of corn at a certain price. This contract price is ſettled according to what is ſuppoſed to be the moderate and reaſonable, that is, the ordinary or average price, which, before the late years of ſcarcity, was commonly about eight and twenty ſhillings for the quarter of wheat, and for that of other grain in proportion.

In years of ſcarcity, therefore, the corn merchant buys a great part of his corn for the ordinary price, and ſells it for a much higher. That this extraordinary profit, however, is no more than ſufficient to put his trade upon a fair level with other trades, and to compenſate the many loſſes which he ſuſtains upon other occaſions, both from the periſhable nature of the commodity itſelf, and from the frequent and unforeſeen fluctuations of its price, ſeems evident enough, from this ſingle circumſtance, that great fortunes are as ſeldom made in this as in any other trade. The popular odium, however, which attends it in years of ſcarcity, the only years in which it can be very profitable, renders people of character and fortune averſe to enter into it. It is abandoned to an inferior ſett of dealers; and millers, bakers, mealmen and meal factors, together with a number of wretched huckſters, are almoſt the only middle people that, in the home market, come between the grower and the conſumer.

The ancient policy of Europe, inſtead of diſcountenancing this popular odium againſt a trade ſo beneficial to the publick, ſeems, on the contrary, to have authoriſed and encouraged it.

By the 5th and 6th of Edward VI. cap. 14. it was enacted, That whoever ſhould buy any corn or grain with intent to ſell it again, ſhould be reputed an unlawful engroſſer, and ſhould, for the firſt fault, ſuffer two months impriſonment, and forfeit the value of the corn; for the ſecond, ſuffer ſix months impriſonment, and forfeit double the value; and for the third, be ſet in the pillory, ſuffer impriſonment during the king's pleaſure, and forfeit all his goods and chattels. The antient policy of moſt other parts of Europe was no better than that of England.

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Our anceſtors ſeem to have imagined that the people would buy their corn cheaper of the farmer than of the corn merchant, who, they were afraid, would require, over and above the price which he paid to the farmer, an exorbitant profit to himſelf. They endeavoured, therefore, to annihilate his trade altogether. They even endeavoured to hinder as much as poſſible any middle man of any kind from coming in between the grower and the conſumer; and this was the meaning of the many reſtraints which they impoſed upon the trade of thoſe whom they called kidders or carriers of corn, a trade which nobody was allowed to exerciſe without a licence aſcertaining his qualifications as a man of probity and fair dealing. The authority of three juſtices of the peace was, by the ſtatute of Edward VI. neceſſary, in order to grant this licence. But even this reſtraint was afterwards thought inſufficient, and by a ſtatute of Elizabeth, the privilege of granting it was confined to the quarter-ſeſſions.

The antient policy of Europe endeavoured in this manner to regulate agriculture, the great trade of the country, by maxims quite different from thoſe which it eſtabliſhed with regard to manufactures, the great trade of the towns. By leaving the farmer no other cuſtomers but either the conſumer or his immediate factors, the kidders and carriers of corn, it endeavoured to force him to exerciſe the trade, not only of a farmer, but of a corn merchant or corn retailer. On the contrary, it in many caſes prohibited the manufacturer from exerciſing the trade of a ſhopkeeper, or from ſelling his own goods by retail. It meant by the one law to promote the general intereſt of the country, or to render corn cheap, without, perhaps, its being well underſtood how this was to be done. By the other it meant to promote that of a particular order of men, the ſhopkeepers, who would be ſo much

much underſold by the manufacturer, it was ſuppoſed, that their trade would be ruined if he was allowed to retail at all.

The manufacturer, however, though he had been allowed to keep a ſhop, and to ſell his own goods by retail, could not have underſold the common ſhopkeeper. Whatever part of his capital he might have placed in his ſhop, he muſt have withdrawn it from his manufacture. In order to carry on his buſineſs on a level with that of other people, as he muſt have had the profit of a manufacturer on the one part, ſo he muſt have had that of a ſhopkeeper upon the other. Let us ſuppoſe, for example, that in the particular town where he lived, ten per cent. was the ordinary profit both of manufacturing and ſhopkeeping ſtock; he muſt in this caſe have charged upon every piece of his own goods which he ſold in his ſhop, a profit of twenty per cent. When he carried them from his workhouſe to his ſhop, he muſt have valued them at the price for which he could have ſold them to a dealer or ſhopkeeper, who would have bought them by wholeſale. If he valued them lower, he loſt a part of the profit of his manufacturing capital. When again he ſold them from his ſhop, unleſs he got the ſame price at which a ſhopkeeper would have ſold them, he loſt a part of the profit of his ſhopkeeping capital. Though he might appear, therefore, to make a double profit upon the ſame piece of goods, yet as theſe goods made ſucceſſively a part of two diſtinct capitals, he made but a ſingle profit upon the whole capital employed about them; and if he made leſs than this profit, he was a loſer, or did not employ his whole capital with the ſame advantage as the greater part of his neighbours.

What the manufacturer was prohibited to do, the farmer was in ſome meaſure enjoined to do; to divide his capital between two different employments; to keep one part of it in his grana-

ries and ſtack yard, for ſupplying the occaſional demands of the market; and to employ the other in the cultivation of his land. But as he could not afford to employ the latter for leſs than the ordinary profits of farming ſtock, ſo he could as little afford to employ the former for leſs than the ordinary profits of mercantile ſtock. Whether the ſtock which really carried on the buſineſs of the corn merchant belonged to the perſon who was called a farmer, or to the perſon who was called a corn merchant, an equal profit was in both caſes requiſite, in order to indemnify its owner for employing it in this manner; in order to put his buſineſs upon a level with other trades, and in order to hinder him from having an intereſt to change it as ſoon as poſſible for ſome other. The farmer, therefore, who was thus forced to exerciſe the trade of a corn merchant, could not afford to ſell his corn cheaper than any other corn merchant would have been obliged to do in the caſe of a free competition.

THE dealer who can employ his whole ſtock in one ſingle branch of buſineſs, has an advantage of the ſame kind with the workman who can employ his whole labour in one ſingle operation. As the latter acquires a dexterity which enables him, with the ſame two hands, to perform a much greater quantity of work; ſo the former acquires ſo eaſy and ready a method of tranſacting his buſineſs, of buying and diſpoſing of his goods, that with the ſame capital he can tranſact a much greater quantity of buſineſs. As the one can commonly afford his work a good deal cheaper, ſo the other can commonly afford his goods ſomewhat cheaper than if his ſtock and attention were both employed about a greater variety of objects. The greater part of manufacturers could not afford to retail their own goods ſo cheap as a vigilant and active ſhopkeeper, whoſe ſole buſineſs it was to buy them by wholeſale, and to retail them again. The greater part of farmers could ſtill leſs afford to retail their own corn, or to ſupply the

the inhabitants of a town, at perhaps four or five miles diſtance from the greater part of them, ſo cheap as a vigilant and active corn merchant, whoſe ſole buſineſs it was to purchaſe corn by wholeſale, to collect it into a great magazine, and to retail it again.

The law which prohibited the manufacturer from exerciſing the trade of a ſhopkeeper, endeavoured to force this diviſion in the employment of ſtock to go on faſter than it might otherwiſe have done. The law which obliged the farmer to exerciſe the trade of a corn merchant, endeavoured to hinder it from going on ſo faſt. Both laws were evident violations of natural liberty, and therefore unjuſt; and they were both too as impolitick as they were unjuſt. It is the intereſt of every ſociety, that things of this kind ſhould never either be forced or obſtructed. The man who employs either his labour or his ſtock in a greater variety of ways than his ſituation renders neceſſary, can never hurt his neighbour by underſelling him. He may hurt himſelf, and he generally does ſo. Jack of all trades will never be rich, ſays the proverb. But the law ought always to truſt people with the care of their own intereſt, as in their local ſituations they muſt generally be able to judge better of it than the legiſlator can do. The law, however, which obliged the farmer to exerciſe the trade of a corn merchant, was by far the moſt pernicious of the two.

It obſtructed, not only that diviſion in the employment of ſtock which is ſo advantageous to every ſociety, but it obſtructed likewiſe the improvement and cultivation of the land. By obliging the farmer to carry on two trades inſtead of one, it forced him to divide his capital into two parts, of which one only could be employed in cultivation. But if he had been at liberty to ſell his whole crop to a corn merchant as faſt as he could threſh it out,

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his whole capital might have returned immediately to the land, and have been employed in buying more cattle, and hiring more ſervants, in order to improve and cultivate it better. But by being obliged to ſell his corn by retail, he was obliged to keep a great part of his capital in his granaries and ſtack yard through the year, and could not, therefore, cultivate ſo well as with the ſame capital he might otherwiſe have done. This law, therefore, neceſſarily obſtructed the improvement of the land, and, inſtead of tending to render corn cheaper, muſt have tended to render it ſcarcer, and therefore dearer, than it would otherwiſe have been.

After the buſineſs of the farmer, that of the corn merchant is in reality the trade which, if properly protected and encouraged, would contribute the moſt to the raiſing of corn. It would ſupport the trade of the farmer in the ſame manner as the trade of the wholeſale dealer ſupports that of the manufacturer.

The wholeſale dealer, by affording a ready market to the manufacturer, by taking his goods off his hand as faſt as he can make them, and by ſometimes even advancing their price to him before he has made them, enables him to keep his whole capital, and ſometimes even more than his whole capital, conſtantly employed in manufacturing, and conſequently to manufacture a much greater quantity of goods than if he was obliged to diſpoſe of them himſelf to the immediate conſumers, or even to the retailers. As the capital of the wholeſale merchant too is generally ſufficient to replace that of many manufacturers, this intercourſe between him and them intereſts the owner of a large capital to ſupport the owners of a great number of ſmall ones, and to aſſiſt them in thoſe loſſes and misfortunes which might otherwiſe prove ruinous to them.

An intercourſe of the ſame kind univerſally eſtabliſhed between the farmers and the corn merchants, would be attended with effects equally beneficial to the farmers. They would be enabled to keep their whole capitals, and even more than their whole capitals, conſtantly employed in cultivation. In caſe of any of thoſe accidents, to which no trade is more liable than theirs, they would find in their ordinary cuſtomer, the wealthy corn merchant, a perſon who had both an intereſt to ſupport them, and the ability to do it, and they would not, as at preſent, be entirely dependent upon the forbearance of their landlord, or the mercy of his ſteward. Were it poſſible, as perhaps it is not, to eſtabliſh this intercourſe univerſally, and all at once, were it poſſible to turn all at once the whole farming ſtock of the kingdom to its proper buſineſs, the cultivation of land, withdrawing it from every other employment into which any part of it may be at preſent diverted, and were it poſſible, in order to ſupport and aſſiſt upon occaſion the operations of this great ſtock, to provide all at once another ſtock almoſt equally great, it is not perhaps very eaſy to imagine how great, how extenſive, and how ſudden would be the improvement which this change of circumſtances would alone produce upon the whole face of the country.

The ſtatute of Edward VI. therefore, by prohibiting as much as poſſible any middle man from coming in between the grower and the conſumer, endeavoured to annihilate a trade of which the free exerciſe is not only the beſt palliative of the inconveniencies of a dearth, but the beſt preventative of that calamity: after the trade of the farmer, no trade contributing ſo much to the growing of corn as that of the corn merchant.

The rigour of this law was afterwards ſoftened by ſeveral ſubſequent ſtatutes, which ſucceſſively permitted the engroſſing of corn when the price of wheat ſhould not exceed twenty, twenty-four, thirty-two, and forty ſhillings the quarter. At laſt, by the

15th of Charles II. c. 7. the engroſſing or buying of corn in order to ſell it again, as long as the price of wheat did not exceed forty-eight ſhillings the quarter, and that of other grain in proportion, was declared lawful to all perſons not being foreſtallers, that is, not ſelling again in the ſame market within three months. All the freedom which the trade of the inland corn dealer has ever yet enjoyed, was beſtowed upon it by this ſtatute. The ſtatute of the twelfth of the preſent king, which repeals almoſt all the other antient laws againſt engroſſers and foreſtallers, does not repeal the reſtrictions of this particular ſtatute, which therefore ſtill continue in force.

This ſtatute, however, authorizes in ſome meaſure two very abſurd popular prejudices.

First, it ſuppoſes that when the price of wheat has riſen ſo high as forty-eight ſhillings the quarter, and that of other grain in proportion, corn is likely to be ſo engroſſed as to hurt the people. But from what has been already ſaid, it ſeems evident enough that corn can at no price be ſo engroſſed by the inland dealers as to hurt the people; and forty-eight ſhillings the quarter beſides, though it may be conſidered as a very high price, yet in years of ſcarcity it is a price which frequently takes place immediately after harveſt, when ſcarce any part of the new crop can be ſold off, and when it is impoſſible even for ignorance to ſuppoſe that any part of it can be ſo engroſſed as to hurt the people.

Secondly, it ſuppoſes that there is a certain price at which corn is likely to be foreſtalled, that is, bought up in order to be ſold again ſoon after in the ſame market, ſo as to hurt the people. But if a merchant ever buys up corn, either going to a particular market or in a particular market, in order to ſell it again ſoon after in the ſame market,

ket, it muſt be becauſe he judges that the market cannot be ſo liberally ſupplied through the whole ſeaſon as upon that particular occaſion, and that the price, therefore, muſt ſoon riſe. If he judges wrong in this, and if the price does not riſe, he not only loſes the whole profit of the ſtock which he employs in this manner, but a part of the ſtock itſelf, by the expence and loſs which neceſſarily attends the ſtoring and keeping of corn. He hurts himſelf, therefore, much more eſſentially than he can hurt even the particular people whom he may hinder from ſupplying themſelves upon that particular market day, becauſe they may afterwards ſupply themſelves juſt as cheap upon any other market day. If he judges right, inſtead of hurting the great body of the people, he renders them a moſt important ſervice. By making them feel the inconveniencies of a dearth ſomewhat earlier than they otherwiſe might do, he prevents their feeling them afterwards ſo ſeverely as they certainly would do, if the cheapneſs of price encouraged them to conſume faſter than ſuited the real ſcarcity of the ſeaſon. When the ſcarcity is real, the beſt thing that can be done for the people is to divide the inconveniencies of it as equally as poſſible through all the different months, and weeks, and days of the year. The intereſt of the corn merchant makes him ſtudy to do this as exactly as he can; and as no other perſon can have either the ſame intereſt, or the ſame knowledge, or the ſame abilities to do it ſo exactly as he, this moſt important operation of commerce ought to be truſted entirely to him; or, in other words, the corn trade, ſo far at leaſt as concerns the ſupply of the home market, ought to be left perfectly free.

The popular fear of engroſſing and foreſtalling may be compared to the popular terrors and ſuſpicions of witchcraft. The unfortunate wretches accuſed of this latter crime were not more innocent of the misfortunes imputed to them, than thoſe who have

have been accuſed of the former. The law which put an end to all proſecutions againſt witchcraft, which put it out of any man's power to gratify his own malice by accuſing his neighbour of that imaginary crime, ſeems effectually to have put an end to thoſe fears and ſuſpicions, by taking away the great cauſe which encouraged and ſupported them. The law which ſhould reſtore entire freedom to the inland trade of corn, would probably prove as effectual to put an end to the popular fears of engroſſing and foreſtalling.

THE 15th of Charles II. c. 7. however, with all its imperfections, has perhaps contributed more both to the plentiful ſupply of the home market, and to the increaſe of tillage, than any other law in the ſtatute book. It is from this law that the inland corn trade has derived all the liberty and protection which it has ever yet enjoyed; and both the ſupply of the home market, and the intereſt of tillage, are much more effectually promoted by the inland, than either by the importation or exportation trade.

THE proportion of the average quantity of all ſorts of grain imported into Great Britain to that of all ſorts of grain conſumed, it has been computed by the author of the tracts upon the corn trade, does not exceed that of one to five hundred and ſeventy. For ſupplying the home market, therefore, the importance of the inland trade muſt be to that of the importation trade as five hundred and ſeventy to one.

THE average quantity of all ſorts of grain exported from Great Britain does not, according to the ſame author, exceed the one and thirtieth part of the annual produce. For the encouragement of tillage, therefore, by providing a market for the home produce, the importance of the inland trade muſt be to that of the exportation trade as thirty to one.

I HAVE no great faith in political arithmetick, and I mean not to warrant the exactneſs of either of theſe computations. I mention them only in order to ſhow of how much leſs conſequence, in the opinion of the moſt judicious and experienced perſons, the foreign trade of corn is than the home trade. The great cheapneſs of corn in the years immediately preceeding the eſtabliſhment of the bounty, may perhaps, with reaſon, be aſcribed in ſome meaſure to the operation of this ſtatute of Charles II. which had been enacted about five and twenty years before, and which had therefore full time to produce its effect.

A VERY few words will ſufficiently explain all that I have to ſay concerning the other three branches of the corn trade.

II. THE trade of the merchant importer of foreign corn for home conſumption, evidently contributes to the immediate ſupply of the home market, and muſt ſo far be immediately beneficial to the great body of the people. It tends, indeed, to lower ſomewhat the average money price of corn, but not to diminiſh its real value, or the quantity of labour which it is capable of maintaining. If importation was at all times free, our farmers and country gentlemen would, probably, one year with another, get leſs money for their corn than they do at preſent, when importation is at moſt times in effect prohibited; but the money which they got would be of more value, would buy more goods of all other kinds, and would employ more labour. Their real wealth, their real revenue, therefore, would be the ſame as at preſent, though it might be expreſſed by a ſmaller quantity of ſilver; and they would neither be diſabled nor diſcouraged from cultivating corn as much as they do at preſent. On the contrary, as the riſe in the real value of ſilver, in conſequence of lowering the money price of corn, lowers ſomewhat the money price of all other commodities, it gives the

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induſtry of the country where it takes place ſome advantage in all foreign markets, and thereby tends to encourage and increaſe that induſtry. But the extent of the home market for corn muſt be in proportion to the general induſtry of the country where it grows, or to the number of thoſe who produce ſomething elſe, and therefore have ſomething elſe, or what comes to the ſame thing, the price of ſomething elſe, to give in exchange for corn. But in every country the home market, as it is the neareſt and moſt convenient, ſo is it likewiſe the greateſt and moſt important market for corn. That riſe in the real value of ſilver, therefore, which is the effect of lowering the average money price of corn, tends to enlarge the greateſt and moſt important market for corn, and thereby to encourage, inſtead of diſcouraging, its growth.

By the 22d of Charles II. c. 13. the importation of wheat, whenever the price in the home market did not exceed fifty-three ſhillings and four pence the quarter, was ſubjected to a duty of ſixteen ſhillings the quarter; and to a duty of eight ſhillings whenever the price did not exceed four pounds. The former of theſe two prices has, for more than a century paſt, taken place only in times of very great ſcarcity; and the latter has, ſo far as I know, not taken place at all. Yet, till wheat had riſen above this latter price, it was by this ſtatute ſubjected to a very high duty; and, till it had riſen above the former, to a duty which amounted to a prohibition. The importation of other ſorts of grain was reſtrained by duties proportionably high.

The diſtreſs which, in years of ſcarcity, the ſtrict execution of this ſtatute might have brought upon the people, would probably have been very great. But, upon ſuch occaſions, its execution was generally ſuſpended by temporary ſtatutes, which permitted, for a limited time, the importation of foreign corn. The neceſſity of theſe

theſe temporary ſtatutes ſufficiently demonſtrates the impropriety of this general one.

These reſtraints upon importation, though prior to the eſtabliſhment of the bounty, were dictated by the ſame ſpirit, by the ſame principles, which afterwards enacted that regulation. How hurtful ſoever in themſelves, theſe or ſome other reſtraints upon importation became neceſſary in conſequence of that regulation. If, when wheat was either below forty-eight ſhillings the quarter, or not much above it, foreign corn could have been imported either duty free, or upon paying only a ſmall duty, it might have been exported again, with the benefit of the bounty, to the great loſs of the publick revenue, and to the intire perverſion of the inſtitution, of which the object was to extend the market for the home growth, not that for the growth of foreign countries.

III. The trade of the merchant exporter of corn for foreign conſumption, certainly does not contribute directly to the plentiful ſupply of the home market. It does ſo, however, indirectly. From whatever ſource this ſupply may be uſually drawn, whether from home growth or from foreign importation, unleſs more corn is either uſually grown, or uſually imported into the country, than what is uſually conſumed in it, the ſupply of the home market can never be very plentiful. But, unleſs the ſurplus can, in all ordinary caſes, be exported, the growers will be careful never to grow more, and the importers never to import more, than what the bare conſumption of the home market requires. That market will very ſeldom be overſtocked; but it will generally be underſtocked, the people, whoſe buſineſs it is to ſupply it, being generally afraid leſt their goods ſhould be left upon their hands. The prohibition of exportation limits the improvement and cultivation of the country to what the ſupply of its own inhabitants

requires. The freedom of exportation enables it to extend its cultivation for the ſupply of foreign nations.

By the 12th of Charles II. c. 4. the exportation of corn was permitted whenever the price of wheat did not exceed forty ſhillings the quarter, and that of other grain in proportion. By the 15th of the ſame prince this liberty was extended till the price of wheat exceeded forty-eight ſhillings the quarter; and by the 22d, to all higher prices. A poundage, indeed, was to be paid to the king upon ſuch exportation. But all grain was rated ſo low in the book of rates, that this poundage amounted only upon wheat to a ſhilling, upon oats to four-pence, and upon all other grain to ſixpence the quarter. By the 1ſt of William and Mary, the act which eſtabliſhed the bounty, this ſmall duty was virtually taken off whenever the price of wheat did not exceed forty-eight ſhillings the quarter; and by the 11th and 12th of William III. c. 20. it was expreſsly taken off at all higher prices.

The trade of the merchant exporter was in this manner, not only encouraged by a bounty, but rendered much more free than that of the inland dealer. By the laſt of theſe ſtatutes, corn could be engroſſed at any price for exportation; but it could not be engroſſed for inland ſale, except when the price did not exceed forty-eight ſhillings the quarter. The intereſt of the inland dealer, however, it has already been ſhown, can never be oppoſite to that of the great body of the people. That of the merchant exporter may, and in fact ſometimes is. If, while his own country labours under a dearth, a neighbouring country ſhould be afflicted with a famine, it might be his intereſt to carry corn to the latter country in ſuch quantities as might very much aggravate the calamities of the dearth. The plentiful ſupply of the home market was not the direct object of thoſe ſtatutes; but, under the pretence of encouraging

raging agriculture, to raiſe the money price of corn as high as poſſible, and thereby to occaſion, as much as poſſible, a conſtant dearth in the home market. By the diſcouragement of importation, the ſupply of that market, even in times of great ſcarcity, was confined to the home growth; and by the encouragement of exportation, when the price was ſo high as forty-eight ſhillings the quarter, that market was not, even in times of conſiderable ſcarcity, allowed to enjoy the whole of that growth. The temporary laws, prohibiting for a limited time the exportation of corn, and taking off for a limited time the duties upon its importation, expedients to which Great Britain has been obliged ſo frequently to have recourſe, ſufficiently demonſtrate the impropriety of her general ſyſtem. Had that ſyſtem been good, ſhe would not ſo frequently have been reduced to the neceſſity of departing from it.

Were all nations to follow the liberal ſyſtem of free exportation and free importation, the different ſtates into which a great continent was divided would ſo far reſemble the different provinces of a great empire. As among the different provinces of a great empire the freedom of the inland trade appears, both from reaſon and experience, not only the beſt palliative of a dearth, but the moſt effectual preventative of a famine; ſo would the freedom of the exportation and importation trade be among the different ſtates into which a great continent was divided. The larger the continent, the eaſier the communication through all the different parts of it, both by land and by water, the leſs would any one particular part of it ever be expoſed to either of theſe calamities, the ſcarcity of any one country being more likely to be relieved by the plenty of ſome other. But very few countries have entirely adopted this liberal ſyſtem. The freedom of the corn trade is almoſt every where more or leſs reſtrained, and, in many countries, is confined by ſuch abſurd regulations, as frequently aggravate the unavoidable misfortune of a dearth into the dreadful calamity of a famine.

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The demand of ſuch countries for corn may frequently become ſo great and ſo urgent, that a ſmall ſtate in their neighbourhood, which happened at the ſame time to be labouring under ſome degree of dearth, could not venture to ſupply them without expoſing itſelf to the like dreadful calamity. The very bad policy of one country may thus render it in ſome meaſure dangerous and imprudent to eſtabliſh what would otherwiſe be the beſt policy in another. The unlimited freedom of exportation, however, would be much leſs dangerous in great ſtates, in which the growth being much greater, the ſupply could ſeldom be much affected by any quantity of corn that was likely to be exported. In a Swiſs canton, or in ſome of the little ſtates of Italy, it may, perhaps, ſometimes be neceſſary to reſtrain the exportation of corn. In ſuch great countries as France or England it ſcarce ever can. To hinder, beſides, the farmer from ſending his goods at all times to the beſt market, is evidently to ſacrifice the ordinary laws of juſtice to an idea of public utility, to a ſort of reaſons of ſtate; an act of legiſlative authority which ought to be exerciſed only, which can be pardoned only in caſes of the moſt urgent neceſſity. The price at which the exportation of corn is prohibited, if it is ever to be prohibited, ought always to be a very high price.

The laws concerning corn may every where be compared to the laws concerning religion. The people feel themſelves ſo much intereſted in what relates either to their ſubſiſtence in this life, or to their happineſs in a life to come, that government muſt yield to their prejudices, and, in order to preſerve the public tranquillity, eſtabliſh that ſyſtem which they approve of. It is upon this account, perhaps, that we ſo ſeldom find a reaſonable ſyſtem eſtabliſhed with regard to either of thoſe two capital objects.

IV. The trade of the merchant carrier, or of the importer of foreign corn, in order to export it again, contributes to the plentiful

plentiful ſupply of the home market. It is not indeed the direct purpoſe of his trade to ſell his corn there. But he will generally be willing to do ſo, and even for a good deal leſs money than he might expect in a foreign market; becauſe he ſaves in this manner the expence of loading and unloading, of freight and inſurance. The inhabitants of the country which, by means of the carrying trade, becomes the magazine and ſtorehouſe for the ſupply of other countries, can very ſeldom be in want themſelves. Though the carrying trade might thus contribute to reduce the average money price of corn in the home market, it would not thereby lower its real value. It would only raiſe ſomewhat the real value of ſilver.

The carrying trade was in effect prohibited in Great Britain upon all ordinary occaſions, by the high duties upon the importation of foreign corn; and upon extraordinary occaſions, when a ſcarcity made it neceſſary to ſuſpend thoſe duties by temporary ſtatutes, exportation was always prohibited. By this ſyſtem of laws, therefore, the carrying trade was in effect prohibited upon all occaſions.

That ſyſtem of laws, therefore, which is connected with the eſtabliſhment of the bounty, ſeems to deſerve no part of the praiſe which has been beſtowed upon it. The improvement and proſperity of Great Britain, which has been ſo often aſcribed to thoſe laws, may very eaſily be accounted for by other cauſes. That ſecurity which the laws in Great Britain give to every man that he ſhall enjoy the fruits of his own labour, is alone ſufficient to make any country flouriſh, notwithſtanding theſe and twenty other abſurd regulations of commerce; and this ſecurity was perfected by the revolution, much about the ſame time that the bounty was eſtabliſhed. The natural effort of every individual

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to better his own condition, when ſuffered to exert itſelf with freedom and ſecurity, is ſo powerful a principle that it is alone, and without any aſſiſtance, not only capable of carrying on the ſociety to wealth and proſperity, but of ſurmounting a hundred impertinent obſtructions with which the folly of human laws too often incumbers its operations; though the effect of theſe obſtructions is always more or leſs either to encroach upon its freedom, or to diminiſh its ſecurity. In Great Britain induſtry is perfectly ſecure; and though it is far from being perfectly free, it is as free or freer than in any other part of Europe.

Though the period of the greateſt proſperity and improvement of Great Britain, has been poſterior to that ſyſtem of laws which is connected with the bounty, we muſt not upon that account impute it to thoſe laws. It has been poſterior likewiſe to the national debt. But the national debt has moſt aſſuredly not been the cauſe of it.

Though the ſyſtem of laws which is connected with the bounty, has exactly the ſame tendency with the police of Spain and Portugal; to lower ſomewhat the value of the precious metals in the country where it takes place; yet Great Britain is certainly one of the richeſt countries in Europe, while Spain and Portugal are perhaps among the moſt beggarly. This difference of ſituation, however, may eaſily be accounted for from two different cauſes. Firſt, the tax in Spain, the prohibition in Portugal of exporting gold and ſilver, and the vigilant police which watches over the execution of thoſe laws, muſt, in two very poor countries, which between them import annually upwards of ſix millions ſterling, operate, not only more directly, but much more forcibly in reducing the value of thoſe metals there, than the corn laws can do in Great Britain. And, ſecondly, this bad policy is not in thoſe countries counter-balanced by the general liberty

liberty and ſecurity of the people. Induſtry is there neither free nor ſecure, and the civil and eccleſiaſtical governments of both Spain and Portugal, are ſuch as would alone be ſufficient to perpetuate their preſent ſtate of poverty, even though their regulations of commerce were as wiſe as the greater part of them are abſurd and fooliſh.

The 13th of the preſent king, c. 43. ſeems to have eſtabliſhed a new ſyſtem with regard to the corn laws, in many reſpects better than the ancient one, but in one reſpect perhaps not quite ſo good.

By this ſtatute the high duties upon importation for home conſumption are taken off as ſoon as the price of wheat is ſo high as forty-eight ſhillings the quarter, and inſtead of them a ſmall duty is impoſed of only ſixpence upon the quarter of wheat, and upon that of other grain in proportion. The home market is in this manner not ſo totally excluded from foreign ſupplies as it was before.

By the ſame ſtatute the old bounty of five ſhillings upon the quarter of wheat ceaſes when the price riſes ſo high as forty-four ſhillings, and upon that of other grain in proportion. The bounties too upon the coarſer ſorts of grain are reduced ſomewhat lower than they were before, even at the prices at which they take place. If bounties are as improper as I have endeavoured to prove them to be, the ſooner they ceaſe and the lower they are, ſo much the better.

The ſame ſtatute permits at all prices the importation of corn in order to be exported again, duty free; provided it is in the meantime lodged in the king's warehouſe. This liberty indeed extends to no more than twenty-five of the different ports of

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Great Britain. They are, however, the principal ones, and there may not perhaps be warehouſes proper for this purpoſe in the greater part of the others. Some proviſion is thus made for the eſtabliſhment of the carrying trade.

So far this law ſeems evidently an improvement upon the antient ſyſtem.

But by the ſame law exportation is prohibited as ſoon as the price of wheat riſes to forty-four ſhillings the quarter, and that of other grain in proportion. The price ſeems to be a good deal too low, and there ſeems to be an impropriety beſides in ſtopping exportation altogether, at the very ſame price at which that bounty which was given in order to force it, is withdrawn. The bounty ought certainly either to have been withdrawn at a much lower price, or exportation ought to have been allowed at a much higher. So far, therefore, this law ſeems to be inferior to the ancient ſyſtem.

CHAP. VI.

Of treaties of commerce.

When a nation binds itſelf by treaty either to permit the entry of certain goods from one foreign country which it prohibits from all others, or to exempt the goods of one country from duties to which it ſubjects thoſe of all others, the country, or at leaſt the merchants and manufacturers of the country, whoſe commerce is ſo favoured, muſt neceſſarily derive

great advantage from the treaty. Thoſe merchants and manufacturers enjoy a ſort of monopoly in the country which is ſo indulgent to them. That country becomes a market both more extenſive and more advantageous for their goods: more extenſive, becauſe the goods of other nations being either excluded or ſubjected to heavier duties, it takes off a greater quantity of theirs: more advantageous, becauſe the merchants of the favoured country, enjoying a ſort of monopoly there, will often ſell their goods for a better price than if expoſed to the free competition of all other nations.

Such treaties, however, though they may be advantageous to the merchants and manufacturers of the favoured, are neceſſarily diſadvantageous to thoſe of the favouring country. A monopoly is thus granted againſt them to a foreign nation; and they muſt frequently buy the foreign goods they have occaſion for dearer than if the free competition of other nations was admitted. That part of its own produce with which ſuch a nation purchaſes foreign goods, muſt conſequently be ſold cheaper, becauſe when two things are exchanged for one another, the cheapneſs of the one is a neceſſary conſequence, or rather is the ſame thing with the dearneſs of the other. The exchangeable value of its annual produce, therefore, is likely to be diminiſhed by every ſuch treaty. This diminution, however, can ſcarce amount to any poſitive loſs, but only to a leſſening of the gain which it might otherwiſe make. Though it ſells its goods cheaper than it otherwiſe might do, it will not probably ſell them for leſs than they coſt; nor, as in the caſe of bounties, for a price which will not replace the capital employed in bringing them to market, together with the ordinary profits of ſtock. The trade could not go on long if it did. Even the favouring country, therefore, may ſtill gain by the trade, though leſs than if there was a free competition.

BOOK IV.

Some treaties of commerce, however, have been ſuppoſed advantageous upon principles very different from theſe; and a commercial country has ſometimes granted a monopoly of this kind againſt itſelf to certain goods of a foreign nation, becauſe it expected that in the whole commerce between them, it would annually ſell more than it would buy, and that a balance in gold and ſilver would be annually returned to it. It is upon this principle that the treaty of commerce between England and Portugal, concluded in 1703 by Mr. Methuen, has been ſo much commended. The following is a literal tranſlation of that treaty, which conſiſts of three articles only.

ART. I.

His ſacred royal majeſty of Portugal promiſes, both in his own name, and that of his ſucceſſors, to admit, for ever hereafter, into Portugal, the woollen cloths, and the reſt of the woollen manufactures of the Britiſh, as was accuſtomed, till they were prohibited by the law; nevertheleſs upon this condition:

ART. II.

That is to ſay, that her ſacred royal majeſty of Great Britain ſhall, in her own name, and that of her ſucceſſors, be obliged for ever hereafter, to admit the wines of the growth of Portugal into Britain; ſo that at no time, whether there ſhall be peace or war between the kingdoms of Britain and France, any thing more ſhall be demanded for theſe wines by the name of cuſtom or duty, or by whatſoever other title, directly or indirectly, whether they ſhall be imported into Great Britain in pipes or hogſheads, or other caſks, than what ſhall be demanded for the like quantity or meaſure of French wine, deducting or abating a third part of the cuſtom or duty. But if at any time this deduction or abatement of cuſtoms, which is to be made as aforeſaid, ſhall in any

any manner be attempted and prejudiced, it ſhall be juſt and lawful for his ſacred royal majeſty of Portugal, again to prohibit the woollen cloths, and the reſt of the Britiſh woollen manufactures.

ART. III.

THE moſt excellent lords the plenipotentiaries promiſe and take upon themſelves, that their above-named maſters ſhall ratify this treaty, and within the ſpace of two months, the ratifications ſhall be exchanged.

BY this treaty the crown of Portugal becomes bound to admit the Engliſh woollens upon the ſame footing as before the prohibition, that is, not to raiſe the duties which had been paid before that time. But it does not become bound to admit them upon any better terms than thoſe of any other nation, of France or Holland, for example. The crown of Great Britain, on the contrary, becomes bound to admit the wines of Portugal, upon paying only two-thirds of the duty, which is paid for thoſe of France, the wines moſt likely to come into competition with them. So far this treaty, therefore, is evidently advantageous to Portugal, and diſadvantageous to Great Britain.

IT has been celebrated, however, as a maſter-piece of the commercial policy of England. Portugal receives annually from the Brazils a greater quantity of gold than can be employed in its domeſtick commerce, whether in the ſhape of coin or of plate. The ſurplus is too valuable to be allowed to lie idle and locked up in coffers, and as it can find no advantageous market at home, it muſt, notwithſtanding any prohibition, be ſent abroad and exchanged for ſomething for which there is a more advantageous market at home. A large ſhare of it comes annually to England, in return either for Engliſh goods, or for thoſe of other European

European nations that receive their returns through England. Mr. Baretti was informed that the weekly packet-boat from Liſbon brings, one week with another, more than fifty thouſand pounds in gold to England. The ſum had probably been exaggerated. It would amount to more than two millions ſix hundred thouſand pounds a year, which is more than the Brazils are ſuppoſed to afford.

Our merchants were ſome years ago out of humour with the crown of Portugal. Some privileges which had been granted them, not by treaty, but by the free grace of that crown, at the ſolicitation, indeed, it is probable, and in return for much greater favours, defence and protection, from the crown of Great Britain, had been either infringed or revoked. The people, therefore, uſually moſt intereſted in celebrating the Portugal trade, were then rather diſpoſed to repreſent it as leſs advantageous than it had commonly been imagined. The far greater part, almoſt the whole, they pretended, of this annual importation of gold, was not on account of Great Britain, but of other European nations; the fruits and wines of Portugal annually imported into Great Britain nearly compenſating the value of the Britiſh goods ſent thither.

Let us ſuppoſe, however, that the whole was on account of Great Britain, and that it amounted to a ſtill greater ſum than Mr. Baretti ſeems to imagine: this trade would not, upon that account, be more advantageous than any other in which for the ſame value ſent out, we received an equal value of conſumable goods in return.

It is but a very ſmall part of this importation which, it can be ſuppoſed, is employed as an annual addition either to the plate or to the coin of the kingdom. The reſt muſt all be ſent abroad and exchanged

exchanged for conſumable goods of ſome kind or other. But if thoſe conſumable goods were purchaſed directly with the produce of Engliſh induſtry, it would be more for the advantage of England than firſt to purchaſe with that produce the gold of Portugal, and afterwards to purchaſe with that gold thoſe conſumable goods. A direct foreign trade of conſumption is always more advantageous than a round-about one; and to bring the ſame value of foreign goods to the home market, requires a much ſmaller capital in the one than in the other. If a ſmaller ſhare of its induſtry, therefore, had been employed in producing goods fit for the Portugal market, and a greater in producing thoſe fit for the other markets where thoſe conſumable goods for which there is a demand in Great Britain are to be had, it would have been more for the advantage of England. To procure both the gold, which it wants for its own uſe, and the conſumable goods, would, in this way, employ a much ſmaller capital than at preſent. There would be a ſpare capital, therefore, to be employed for other purpoſes, in exciting an additional quantity of induſtry, and in raiſing a greater annual produce.

Though Britain were entirely excluded from the Portugal trade, it could find very little difficulty in procuring all the annual ſupplies of gold which it wants, either for the purpoſes of plate, or of coin, or of foreign trade. Gold, like every other commodity, is always ſomewhere or another to be got for its value by thoſe who have that value to give for it. The annual ſurplus of gold in Portugal, beſides, would ſtill be ſent abroad, and, though not carried away by Great Britain, would be carried away by ſome other nation, which would be glad to ſell it again for its price, in the ſame manner as Great Britain does at preſent. In buying gold of Portugal, indeed, we buy it at the firſt hand; whereas, in buying it of any other nation, except Spain, we ſhould buy it at the ſecond,

and

BOOK IV.

and might pay ſomewhat dearer. This difference, however, would ſurely be too inſignificant to deſerve the publick attention.

ALMOST all our gold, it is ſaid, comes from Portugal. With other nations the balance of trade is either againſt us, or not much in our favour. But we ſhould remember, that the more gold we import from one country, the leſs we muſt neceſſarily import from all others. The effectual demand for gold, like that for every other commodity, is in every country limited to a certain quantity. If nine-tenths of this quantity are imported from one country, there remains a tenth only to be imported from all others. The more gold beſides that is annually imported from ſome particular countries, over and above what is requiſite for plate and for coin, the more muſt neceſſarily be exported to ſome others; and the more, that moſt inſignificant object of modern policy, the balance of trade, appears to be in our favour with ſome particular countries, the more it muſt neceſſarily appear to be againſt us with many others.

IT was upon this ſilly notion, however, that England could not ſubſiſt without the Portugal trade, that, towards the end of the late war, France and Spain, without pretending either offence or provocation, required the king of Portugal to exclude all Britiſh ſhips from his ports, and for the ſecurity of this excluſion, to receive into them French or Spaniſh garriſons. Had the king of Portugal ſubmitted to thoſe ignominious terms which his brother-in-law the king of Spain propoſed to him, Britain would have been freed from a much greater inconveniency than the loſs of the Portugal trade, the burden of ſupporting a very weak ally, ſo unprovided of every thing for his own defence, that the whole power of England, had it been directed to that ſingle purpoſe, could ſcarce perhaps have defended him for another campaign.

campaign. The loſs of the Portugal trade would, no doubt, have occaſioned a conſiderable embarraſſment to the merchants at that time engaged in it, who might not, perhaps, have found out, for a year or two, any other equally advantageous method of employing their capitals; and in this would probably have conſiſted all the inconveniency which England could have ſuffered from this notable piece of commercial policy.

The great annual importation of gold and ſilver is neither for the purpoſe of plate nor of coin, but of foreign trade. A round-about foreign trade of conſumption can be carried on more advantageouſly by means of theſe metals than of almoſt any other goods. As they are the univerſal inſtruments of commerce, they are more readily received in return for all commodities than any other goods; and on account of their ſmall bulk and great value, it coſts leſs to tranſport them backward and forwards from one place to another than almoſt any other ſort of merchandize, and they loſe leſs of their value by being ſo tranſported. Of all the commodities, therefore, which are bought in one foreign country, for no other purpoſe but to be ſold or exchanged again for ſome other goods in another, there are none ſo convenient as gold and ſilver. In facilitating all the different round-about foreign trades of conſumption which are carried on in Great Britain, conſiſts the principal advantage of the Portugal trade; and though it is not a capital advantage, it is, no doubt, a conſiderable one.

That any annual addition which, it can reaſonably be ſuppoſed, is made either to the plate or to the coin of the kingdom, could require but a very ſmall annual importation of gold and ſilver, ſeems evident enough; and, though we had no direct trade with Portugal, this ſmall quantity could always, ſomewhere or another, be very eaſily got.

Though the goldſmiths trade be very conſiderable in Great Britain, the far greater part of the new plate which they annually

ſell, is made from other old plate melted down; ſo that the addition annually made to the whole plate of the kingdom cannot be very great, and could require but a very ſmall annual importation.

It is the ſame caſe with the coin. Nobody imagines, I believe, that even the greater part of the annual coinage, amounting, for ten years together before the late reformation of the gold coin, to upwards of eight hundred thouſand pounds a year in gold, was an annual addition to the money before current in the kingdom. In a country where the expence of the coinage is defrayed by the government, the value of the coin, even when it contains its full ſtandard weight of gold and ſilver, can never be much greater than that of an equal quantity of thoſe metals uncoined; becauſe it requires only the trouble of going to the mint, and the delay perhaps of a few weeks, to procure for any quantity of uncoined gold and ſilver an equal quantity of thoſe metals in coin. But, in every country, the greater part of the current coin is almoſt always more or leſs worn, or otherwiſe degenerated from its ſtandard. In Great Britain it was, before the late reformation, a good deal ſo, the gold being more than two per cent. and the ſilver more than eight per cent. below its ſtandard weight. But if forty-four guineas and a half, containing their full ſtandard weight, a pound weight of gold, could purchaſe very little more than a pound weight of uncoined gold, forty-four guineas and a half wanting a part of their weight could not purchaſe a pound weight, and ſomething was to be added in order to make up the deficiency. The current price of gold bullion at market, therefore, inſtead of being the ſame with the mint price, or 46l. 14s. 6d. was then about 47l. 14s. and ſometimes about forty-eight pounds. When the greater part of the coin, however, was in this degenerate condition, forty-four guineas and a half, freſh from the mint, would purchaſe no more goods in the market than any other ordinary guineas, becauſe when they come into the coffers of the merchant, being confounded with other money, they could

could not afterwards be diſtinguiſhed without more trouble than the difference was worth. Like other guineas they were worth no more than 46l. 14s. 6d. If thrown into the melting pot, however, they produced, without any ſenſible loſs, a pound weight of ſtandard gold, which could be ſold at any time for between 47l. 14s. and 48l. either in gold or ſilver, as fit for all the purpoſes of coin as that which had been melted down. There was an evident profit, therefore, in melting down new coined money, and it was done ſo inſtantaneouſly, that no precaution of government could prevent it. The operations of the mint were, upon this account, ſomewhat like the web of Penelope; the work that was done in the day was undone in the night. The mint was employed, not ſo much in making daily additions to the coin, as in replacing the very beſt part of it which was daily melted down.

WERE the private people, who carry their gold and ſilver to the mint, to pay themſelves for the coinage, it would add to the value of thoſe metals in the ſame manner as the faſhion does to that of plate. Coined gold and ſilver would be more valuable than uncoined. The ſeignorage, if it was not exorbitant, would add to the bullion the whole value of the duty; becauſe, the government having every where the excluſive privilege of coining, no coin can come to market cheaper than they think proper to afford it. If the duty was exorbitant indeed, that is, if it was very much above the real value of the labour and expence requiſite for coinage, falſe coiners, both at home and abroad, might be encouraged, by the great difference between the value of bullion and that of coin, to pour in ſo great a quantity of counterfeit money as might reduce the value of the government money. In France, however, though the ſeignorage is eight per cent. no ſenſible inconveniency of this kind is found to ariſe from it. The dangers to which a falſe coiner is every where expoſed, if he lives in the country of which he coun-

terfeits the coin, and to which his agents or correſpondents are expoſed if he lives in a foreign country, are by far too great to be incurred for the ſake of a profit of ſix or ſeven per cent.

The ſeignorage in France raiſes the value of the coin higher than in proportion to the quantity of pure gold which it contains. Thus by the edict of January, 1726, * the mint price of fine gold of twenty-four carats was fixed at ſeven hundred and forty livres, nine ſous and one denier one-eleventh, the mark of eight Paris ounces. The gold coin of France, making an allowance for the remedy of the mint, contains twenty-one carats and three-fourths of fine gold, and two carats one-fourth of alloy. The mark of ſtandard gold, therefore, is worth no more than about ſix hundred and ſeventy-one livres ten deniers. But in France this mark of ſtandard gold is coined into thirty Louis d' ors of twenty-four livres each, or into ſeven hundred and twenty livres. The coinage, therefore, increaſes the value of a mark of ſtandard gold bullion, by the difference between ſix hundred and ſeventy-one livres ten deniers and ſeven hundred and twenty livres; or by forty-eight livres, nineteen ſous, and two deniers.

A seignorage will, in many caſes, take away altogether, and will, in all caſes, diminiſh the profit of melting down the new coin. This profit always ariſes from the difference between the quantity of bullion which the common currency ought to contain, and that which it actually does contain. If this difference is leſs than the ſeignorage, there will be loſs inſtead of profit. If it is equal to the ſeignorage, there will neither be profit nor loſs. If it is greater than the ſeignorage, there will indeed be ſome profit, but

* See Dictionaire des Monnoies, tom. i. article Seigneurage, p. 489. par M. Abot de Bazinghen, Conſeiller-Comiſſaire en la Cour des Monnoies à Paris.

leſs

leſs than if there was no ſeignorage. If, before the late reformation of the gold coin, for example, there had been a ſeignorage of five per cent. upon the coinage, there would have been a loſs of three per cent. upon the melting down of the gold coin. If the ſeignorage had been two per cent. there would have been neither profit nor loſs. If the ſeignorage had been one per cent. there would have been a profit, but of one per cent. only inſtead of two per cent. Wherever money is received by tale, therefore, and not by weight, a ſeignorage is the moſt effectual preventative of the melting down of the coin, and, for the ſame reaſon, of its exportation. It is the beſt and heavieſt pieces that are commonly either melted down or exported; becauſe it is upon ſuch that the largeſt profits are made.

The law for the encouragement of the coinage, by rendering it duty-free, was firſt enacted, during the reign of Charles II. for a limited time; and afterwards continued, by different prolongations, till 1769, when it was rendered perpetual. The bank of England, in order to repleniſh their coffers with money, are frequently obliged to carry bullion to the mint; and it was more for their intereſt, they probably imagined, that the coinage ſhould be at the expence of the government, than at their own. It was, probably, out of complaiſance to this great company that the government agreed to render this law perpetual. Should the cuſtom of weighing gold, however, come to be diſuſed, as it is very likely to be on account of its inconveniency; ſhould the gold coin of England come to be received by tale, as it was before the late recoinage, this great company may, perhaps, find that they have upon this, as upon ſome other occaſions, miſtaken their own intereſt not a little.

Before the late re-coinage, when the gold currency of England was two per cent. below its ſtandard weight, as there was

no ſeignorage, it was two per cent. below the value of that quantity of ſtandard gold bullion which it ought to have contained. When this great company, therefore, bought gold bullion in order to have it coined, they were obliged to pay for it two per cent. more than it was worth after the coinage. But if there had been a ſeignorage of two per cent. upon the coinage, the common gold currency, though two per cent. below its ſtandard weight, would notwithſtanding have been equal in value to the quantity of ſtandard gold which it ought to have contained; the value of the faſhion compenſating in this caſe the diminution of the weight. They would indeed have had the ſeignorage to pay, which being two per cent. their loſs upon the whole tranſaction would have been two per cent. exactly the ſame, but no greater than it actually was.

If the ſeignorage had been five per cent. and the gold currency only two per cent. below its ſtandard weight, the bank would in this caſe have gained three per cent. upon the price of the bullion; but as they would have had a ſeignorage of five per cent. to pay upon the coinage, their loſs upon the whole tranſaction would, in the ſame manner, have been exactly two per cent.

If the ſeignorage had been only one per cent. and the gold currency two per cent. below its ſtandard weight, the bank would in this caſe have loſt only one per cent. upon the price of the bullion; but as they would likewiſe have had a ſeignorage of one per cent. to pay, their loſs upon the whole tranſaction would have been exactly two per cent. in the ſame manner as in all other caſes.

If there was a reaſonable ſeignorage, while at the ſame time the coin contained its full ſtandard weight, as it has done very nearly

nearly ſince the late re-coinage, whatever the bank might loſe by the ſeignorage, they would gain upon the price of the bullion; and whatever they might gain upon the price of the bullion, they would loſe by the ſeignorage. They would neither loſe nor gain, therefore, upon the whole tranſaction, and they would in this, as in all the foregoing caſes, be exactly in the ſame ſituation as if there was no ſeignorage.

When the tax upon a commodity is ſo moderate as not to encourage ſmuggling, the merchant, who deals in it, though he advances, does not properly pay the tax, as he gets it back in the price of the commodity. The tax is finally paid by the laſt purchaſer or conſumer. But money is a commodity with regard to which every man is a merchant. Nobody buys it but in order to ſell it again; and with regard to it there is in ordinary caſes no laſt purchaſer or conſumer. When the tax upon coinage, therefore, is ſo moderate as not to encourage falſe coining, though every body advances the tax, nobody finally pays it; becauſe every body gets it back in the advanced value of the coin.

A moderate ſeignorage, therefore, would not in any caſe augment the expence of the bank, or of any other private perſons who carry their bullion to the mint in order to be coined, and the want of a moderate ſeignorage does not in any caſe diminiſh it. Whether there is or is not a ſeignorage, if the currency contains its full ſtandard weight, the coinage coſts nothing to any body, and if it is ſhort of that weight, the coinage muſt always coſt the difference between the quantity of bullion which ought to be contained in it, and that which actually is contained in it.

The government, therefore, when it defrays the expence of coinage, not only incurrs ſome ſmall expence, but loſes ſome ſmall

ſmall revenue which it might get by a proper duty; and neither the bank nor any other private perſons are in the ſmalleſt degree benefited by this uſeleſs piece of public generoſity.

The directors of the bank, however, would probably be unwilling to agree to the impoſition of a ſeignorage upon the authority of a ſpeculation which promiſes them no gain, but only pretends to inſure them from any loſs. In the preſent ſtate of the gold coin, and as long as it continues to be received by weight, they certainly would gain nothing by ſuch a change. But if the cuſtom of weighing the gold coin ſhould ever go into diſuſe, as it is very likely to do, and if the gold coin ſhould ever fall into the ſame ſtate of degradation in which it was before the late re-coinage, the gain, or more properly the ſavings of the bank, in conſequence of the impoſition of a ſeignorage, would probably be very conſiderable. The bank of England is the only company which ſends any conſiderable quantity of bullion to the mint, and the burden of the annual coinage falls entirely or almoſt entirely upon it. If this annual coinage had nothing to do but to repair the unavoidable loſſes and neceſſary tear and wear of the coin, it could ſeldom exceed fifty thouſand or at moſt a hundred thouſand pounds. But when the coin is degraded below its ſtandard weight, the annual coinage muſt, beſides this, fill up the large vacuities which exportation and the melting pot are continually making in the current coin. It was upon this account that during the ten or twelve years immediately preceeding the late reformation of the gold coin, the annual coinage amounted at an average to more than eight hundred and fifty thouſand pounds. But if there had been a ſeignorage of four or five per cent. upon the gold coin, it would probably, even in the ſtate in which things then were, have put an effectual ſtop to the buſineſs both of exportation and of the melting pot. The bank, inſtead of loſing every

every year about two and a half per cent. upon the bullion which was to be coined into more than eight hundred and fifty thouſand pounds, or incurring an annual loſs of more than twenty one thouſand two hundred and fifty pounds, would not probably have incurred the tenth part of that loſs.

THE revenue allotted by parliament for defraying the expence of the coinage is but fourteen thouſand pounds a year, and the real expence which it coſts the government, or the fees of the officers of the mint, do not upon ordinary occaſions, I am aſſured, exceed the half of that ſum. The ſaving of ſo very ſmall a ſum, or even the gaining of another which could not well be much larger, are objects too inconſiderable, it may be thought, to deſerve the ſerious attention of government. But the ſaving of eighteen or twenty thouſand pounds a year in caſe of an event which is not improbable, which has frequently happened before, and which is very likely to happen again, is ſurely an object which well deſerves the ſerious attention even of ſo great a company as the bank of England.

SOME of the foregoing reaſonings and obſervations might perhaps have been more properly placed in thoſe chapters of the firſt book which treat of the origin and uſe of money, and of the difference between the real and the nominal price of commodities. But as the law for the encouragement of coinage derives its origin from thoſe vulgar prejudices which have been introduced by the mercantile ſyſtem; I judged it more proper to reſerve them for this chapter. Nothing could be more agreeable to the ſpirit of that ſyſtem than a ſort of bounty upon the production of money, the very thing which, it ſuppoſes, conſtitutes the wealth of every nation. It is one of its many admirable expedients for enriching the country.

CHAP. VII.

Of Colonies.

PART FIRST.

Of the motives for eſtabliſhing new colonies.

THE intereſt which occaſioned the firſt ſettlement of the different European colonies in America and the Weſt Indies, was not altogether ſo plain and diſtinct as that which directed the eſtabliſhment of thoſe of antient Greece and Rome.

ALL the different ſtates of antient Greece poſſeſſed, each of them, but a very ſmall territory, and when the people in any one of them multiplied beyond what that territory could eaſily maintain, a part of them were ſent in queſt of a new habitation in ſome remote and diſtant part of the world; the warlike neighbours who ſurrounded them on all ſides, rendering it difficult for any of them to enlarge very much its territory at home. The colonies of the Dorians reſorted chiefly to Italy and Sicily, which in the times preceeding the foundation of Rome, were inhabited by barbarous and uncivilized nations: thoſe of the Ionians and Eolians, the two other great tribes of the Greeks, to Aſia minor and the iſlands of the Egean ſea, of which the inhabitants ſeem at that time to have been pretty much in the ſame ſtate as thoſe of Sicily and Italy. The mother city, though ſhe conſidered the colony as a child, at all times entitled to great favour and aſſiſtance, and owing in return much gratitude and reſpect, yet conſidered it as an emancipated child over whom ſhe pretended to claim no direct authority or juriſdiction. The colony ſettled its own form of government, enacted its own laws, elected its own magiſtrates, and made peace or war with its neighbours as an independant ſtate which had no occaſion to wait for the approbation

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or conſent of the mother city. Nothing can be more plain and diſtinct than the intereſt which directed every ſuch eſtabliſhment.

Rome, like moſt of the other antient republicks, was originally founded upon an Agrarian law, which divided the publick territory in a certain proportion among the different citizens who compoſed the ſtate. The courſe of human affairs, by marriage, by ſucceſſion, and by alienation, neceſſarily deranged this original diviſion, and frequently threw the lands, which had been allotted for the maintenance of many different families, into the poſſeſſion of a ſingle perſon. To remedy this diſorder, for ſuch it was ſuppoſed to be, a law was made, reſtricting the quantity of land which any citizen could poſſeſs to five hundred jugera, about three hundred and fifty Engliſh acres. This law, however, though we read of its having been executed upon one or two occaſions, was either neglected or evaded, and the inequality of fortunes went on continually increaſing. The greater part of the citizens had no land, and without it the manners and cuſtoms of thoſe times rendered it difficult for a freeman to maintain his independancy. In the preſent times, though a poor man has no land of his own, if he has a little ſtock, he may either farm the lands of another, or he may carry on ſome little retail trade; and if he has no ſtock, he may find employment either as a country labourer, or as an artificer. But, among the antient Romans, the lands of the rich were all cultivated by ſlaves, who wrought under an overſeer, who was likewiſe a ſlave; ſo that a poor freeman had little chance of being employed either as a farmer or as a labourer. All trades and manufactures too, even the retail trade, were carried on by the ſlaves of the rich for the benefit of their maſters, whoſe wealth, authority and protection, made it difficult for a poor freeman to maintain the competition againſt them. The citizens, therefore, who had no land, had ſcarce any other means of ſubſiſt-

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ence but the bounties of the candidates at the annual elections. The tribunes, when they had a mind to animate the people againſt the rich and the great, put them in mind of the antient diviſion of lands, and repreſented that law which reſtricted this ſort of private property as the fundamental law of the republick. The people became clamorous to get land, and the rich and the great, we may believe, were perfectly determined not to give them any part of theirs. To ſatisfy them in ſome meaſure, therefore, they frequently propoſed to ſend out a new colony. But conquering Rome was, even upon ſuch occaſions, under no neceſſity of turning out her citizens to ſeek their fortune, if one may ſay ſo, through the wide world, without knowing where they were to ſettle. She aſſigned them lands generally in the conquered provinces of Italy, where, being within the dominions of the republick, they could never form any independent ſtate; but were at beſt but a ſort of corporation, which, though it had the power of enacting bye-laws for its own government, was at all times ſubject to the correction, juriſdiction, and legiſlative authority of the mother city. The ſending out a colony of this kind, not only gave ſome ſatisfaction to the people, but often eſtabliſhed a ſort of garriſon too in a newly conquered province, of which the obedience might otherwiſe have been doubtful. A Roman colony, therefore, whether we conſider the nature of the eſtabliſhment itſelf, or the motives for making it, was altogether different from a Greek one. The words accordingly, which in the original languages denote thoſe different eſtabliſhments, have very different meanings. The latin word *(Colonia)* ſignifies ſimply a plantation. The Greek word (αποικια) on the contrary, ſignifies a ſeparation of dwelling, a departure from home, a going out of the houſe. But, though the Roman colonies were in many reſpects different from the Greek ones, the intereſt which prompted to eſtabliſh them was equally plain and diſtinct. Both inſtitutions derived their origin either from irreſiſtable neceſſity, or from clear and evident utility.

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The eſtabliſhment of the European colonies in America and the Weſt Indies aroſe from no neceſſity; and though the utility which has reſulted from them has been very great, it is not altogether ſo clear and evident. It was not underſtood at their firſt eſtabliſhment, and was not the motive either of that eſtabliſhment or of the diſcoveries which gave occaſion to it, and the nature, extent, and limits of that utility are not, perhaps, well underſtood at this day.

The Venetians, during the fourteenth and fifteenth centuries, carried on a very advantageous commerce in ſpiceries, and other Eaſt India goods, which they diſtributed among the other nations of Europe. They purchaſed them in Egypt, at that time under the dominion of the Mammeluks, the enemies of the Turks, of whom the Venetians were the enemies; and this union of intereſt, aſſiſted by the money of Venice, formed ſuch a connection as gave the Venetians almoſt a monopoly of the trade.

The great profits of the Venetians tempted the avidity of the Portugueze. They had been endeavouring, during the courſe of the fifteenth century, to find out by ſea a way to the countries from which the Moors brought them ivory and gold duſt acroſs the Deſart. They diſcovered the Madeiras, the Canaries, the Azores, the Cape de Verd iſlands, the coaſt of Guinea, that of Congo, Angola, and Loango, and, finally, the Cape of Good Hope. They had long wiſhed to ſhare in the profitable traffic of the Venetians, and this laſt diſcovery opened to them a probable proſpect of doing ſo. In 1497, Vaſco de Gama ſailed from the port of Liſbon with a fleet of four ſhips, and, after a navigation of eleven months, arrived upon the coaſt of Indoſtan, and thus compleated a courſe of diſcoveries which had been purſued with great ſteadineſs, and with very little interruption, for near a century together.

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SOME years before this, while the expectations of Europe were in ſuſpence about the projects of the Portugueze, of which the ſucceſs appeared yet to be doubtful, a Genoeſe pilot formed the yet more daring project of ſailing to the Eaſt Indies by the weſt. The ſituation of thoſe countries was at that time very imperfectly known in Europe. The few European travellers who had been there had magnified the diſtance; perhaps through ſimplicity and ignorance, what was really very great appearing almoſt infinite to thoſe who could not meaſure it; or, perhaps, in order to increaſe ſomewhat more the marvellous of their own adventures in viſiting regions ſo immenſely remote from Europe. The longer the way was by the Eaſt, Columbus very juſtly concluded, the ſhorter it would be by the Weſt. He propoſed, therefore, to take that way, as both the ſhorteſt and the ſureſt, and he had the good fortune to convince Iſabella of Caſtile of the probability of his project. He ſailed from the port of Palos in Auguſt 1492, near five years before the expedition of Vaſco de Gama ſet out from Portugal, and, after a voyage of between two and three months, diſcovered firſt ſome of the ſmall Bahama or Lucayan iſlands, and afterwards the great iſland of St. Domingo.

BUT the countries which Columbus diſcovered, either in this or in any of his ſubſequent voyages, had no reſemblance to thoſe which he had gone in queſt of. Inſtead of the wealth, cultivation, and populouſneſs of China and Indoſtan, he found, in St. Domingo, and in all the other parts of the new world which he ever viſited, nothing but a country quite covered with wood, uncultivated, and inhabited only by ſome tribes of naked and miſerable ſavages. He was not very willing, however, to believe that they were not the ſame with ſome of the countries deſcribed by Marco Polo, the firſt European who had viſited, or at leaſt had left behind him, any deſcription of China or the Eaſt Indies; and a very

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ſlight reſemblance, ſuch as that which he found between the name of Cibao, a mountain in St. Domingo, and that of Cipango, mentioned by Marco Polo, was frequently ſufficient to make him return to this favourite prepoſſeſſion, though contrary to the cleareſt evidence. In his letters to Ferdinand and Iſabella he called the countries which he had diſcovered the Indies. He entertained no doubt but that they were the extremity of thoſe which had been deſcribed by Marco Polo, and that they were not very diſtant from the Ganges, or from the countries which had been conquered by Alexander. Even when at laſt convinced that they were different, he ſtill flattered himſelf that thoſe rich countries were at no great diſtance, and, in a ſubſequent voyage, accordingly, went in queſt of them along the coaſt of Terra Firma, and towards the iſthmus of Darien.

In conſequence of this miſtake of Columbus, the name of the Indies has ſtuck to thoſe unfortunate countries ever ſince; and when it was at laſt clearly diſcovered that the new were altogether different from the old Indies, the former were called the Weſt in contradiſtinction to the latter, which were called the Eaſt Indies.

It was of importance to Columbus, however, that the countries which he had diſcovered, whatever they were, ſhould be repreſented to the court of Spain as of very great conſequence; and, in what conſtitutes the real riches of every country, the animal and vegetable productions of the ſoil, there was at that time nothing which could well juſtify ſuch a repreſentation of them.

The Cori, ſomething between a rat and a rabbit, and ſuppoſed by Mr. Buffon to be the ſame with the Aperea of Brazil, was the largeſt viviparous quadruped in St. Domingo. This ſpecies ſeems never to have been very numerous, and the dogs and cats of the Spaniards are ſaid to have long ago almoſt entirely extirpated it, as well

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well as ſome other tribes of a ſtill ſmaller ſize. Theſe, however, together with a pretty large lizard, called the Ivana or Iguana, conſtituted the principal part of the animal food which the land afforded.

The vegetable food of the inhabitants, though from their want of induſtry not very abundant, was not altogether ſo ſcanty. It conſiſted in Indian corn, yams, potatoes, bananes, &c. plants which were then altogether unknown in Europe, and which have never ſince been very much eſteemed in it, or ſuppoſed to yield a ſuſtenance equal to what is drawn from the common ſorts of grain and pulſe, which have been cultivated in this part of the world time out of mind.

The cotton plant indeed afforded the material of a very important manufacture, and was at that time to Europeans undoubtedly the moſt valuable of all the vegetable productions of thoſe iſlands. But though in the end of the fifteenth century the muſlins and other cotton goods of the Eaſt Indies were much eſteemed in every part of Europe, the cotton manufacture itſelf was not cultivated in any part of it. Even this production therefore, could not at that time appear in the eyes of Europeans to be of very great conſequence.

Finding nothing either in the animals or vegetables of the newly diſcovered countries, which could juſtify a very advantageous repreſentation of them, Columbus turned his view towards their minerals; and in the richneſs of the productions of this third kingdom, he flattered himſelf, he had found a full compenſation for the inſignificancy of thoſe of the other two. The little bits of gold with which the inhabitants ornamented their dreſs, and which, he was informed, they frequently found in the rivulets and torrents that fell from the mountains, were ſufficient to

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ſatisfy him that thoſe mountains abounded with the richeſt gold mines. St. Domingo, therefore, was repreſented as a country abounding with gold, and, upon that account, (according to the prejudices not only of the preſent times, but of thoſe times) an inexhauſtible ſource of real wealth to the crown and kingdom of Spain. When Columbus, upon his return from his firſt voyage, was introduced with a ſort of triumphal honours to the ſovereigns of Caſtile and Arragon, the principal productions of the countries which he had diſcovered were carried in ſolemn proceſſion before him. The only valuable part of them conſiſted in ſome little fillets, bracelets, and other ornaments of gold, and in ſome bales of cotton. The reſt were mere objects of vulgar wonder and curioſity; ſome reeds of an extraordinary ſize, ſome birds of a very beautiful plumage, and ſome ſtuffed ſkins of the huge alligator and manati; all of which were preceeded by ſix or ſeven of the wretched natives, whoſe ſingular colour and appearance added greatly to the novelty of the ſhew.

In conſequence of the repreſentations of Columbus, the council of Caſtile determined to take poſſeſſion of countries of which the inhabitants were plainly incapable of defending themſelves. The pious purpoſe of converting them to chriſtianity ſanctified the injuſtice of the project. But the hope of finding treaſures of gold there, was the ſole motive which prompted to undertake it; and to give this motive the greater weight, it was propoſed by Columbus that the half of all the gold and ſilver that ſhould be found there ſhould belong to the crown. This propoſal was approved of by the council.

As long as the whole or the far greater part of the gold, which the firſt adventurers imported into Europe, was got by ſo very eaſy a method as the plundering of the defenceleſs natives, it was not perhaps very difficult to pay even this heavy tax. But

when the natives were once fairly ſtript of all that they had, which, in St. Domingo, and in all the other countries diſcovered by Columbus, was done compleatly in ſix or eight years, and when in order to find more it had become neceſſary to dig for it in the mines, there was no longer any poſſibility of paying this tax. The rigorous exaction of it, accordingly, firſt occaſioned, it is ſaid, the total abandoning of the mines of St. Domingo, which have never been wrought ſince. It was ſoon reduced therefore to a third; then to a fifth; afterwards to a tenth, and at laſt to a twentieth part of the groſs produce of the gold mines. The tax upon ſilver, indeed, ſtill continues to be a fifth of the groſs produce. But the firſt adventurers do not appear to have been much intereſted about ſilver. Nothing leſs precious than gold ſeemed worthy of their attention.

All the other enterprizes of the Spaniards in the new world, ſubſequent to thoſe of Columbus, ſeem to have been prompted by the ſame motive. It was the ſacred thirſt of gold that carried Oieda, Nicueſſa, and Vaſco Nugnes de Balboa, to the iſthmus of Darien, that carried Cortez to Mexico, and Almagro and Pizzarro to Chili and Peru. When thoſe adventurers arrived upon any unknown coaſt, their firſt enquiry was always if there was any gold to be found there; and according to the information which they received concerning this particular, they determined either to quit the country, or to ſettle in it.

Of all thoſe expenſive and uncertain projects, however, which bring bankruptcy upon the greater part of the people who engage in them, there is none perhaps more perfectly ruinous than the ſearch after new ſilver and gold mines. It is perhaps the moſt diſadvantageous lottery in the world, or the one in which the gain of thoſe who draw the prizes bears the leaſt proportion to the loſs of thoſe who draw the blanks: for though the prizes

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are few and the blanks many, the common price of a ticket is the whole fortune of a very rich man. Projects of mining, inſtead of replacing the capital employed in them, together with the ordinary profits of ſtock, commonly abſorb both capital and profit. They are the projects, therefore, to which of all others a prudent law-giver, who deſired to increaſe the capital of his nation, would leaſt chuſe to give any extraordinary encouragement, or to turn towards them a greater ſhare of that capital than what would go to them of its own accord. Such in reality is the abſurd confidence which almoſt all men have in their own good fortune, that wherever there is the leaſt probability of ſucceſs, too great a ſhare of it is apt to go to them of its own accord.

But though the judgement of ſober reaſon and experience concerning ſuch projects has always been extreamly unfavourable, that of human avidity has commonly been quite otherwiſe. The ſame paſſion which has ſuggeſted to ſo many people the abſurd idea of the philoſopher's ſtone, has ſuggeſted to others the equally abſurd one of immenſe rich mines of gold and ſilver. They did not conſider that the value of thoſe metals has, in all ages and nations, ariſen chiefly from their ſcarcity, and that their ſcarcity has ariſen from the very ſmall quantities of them which nature has any where depoſited in one place, from the hard and intractable ſubſtances with which ſhe has almoſt every where ſurrounded thoſe ſmall quantities, and conſequently from the labour and expence which are every where neceſſary in order to penetrate to and get at them. They flattered themſelves that veins of thoſe metals might in many places be found as large and as abundant as thoſe which are commonly found of lead, or copper, or tin, or iron. The dream of Sir Walter Raleigh concerning the golden city and country of Eldorado, may ſatisfy us that even wiſe men

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are not always exempt from ſuch ſtrange deluſions. More than a hundred years after the death of that great man, the jeſuit Gumila was ſtill convinced of the reality of that wonderful country, and expreſſed with great warmth, and I dare to ſay, with great ſincerity, how happy he ſhould be to carry the light of the goſpel to a people who could ſo well reward the pious labours of their miſſionary.

In the countries firſt diſcovered by the Spaniards, no gold or ſilver mines are at preſent known which are ſuppoſed to be worth the working. The quantities of thoſe metals which the firſt adventurers are ſaid to have found there, had probably been very much magnified, as well as the fertility of the mines which were wrought immediately after the firſt diſcovery. What thoſe adventurers were reported to have found, however, was ſufficient to enflame the avidity of all their countrymen. Every Spaniard who ſailed to America expected to find an Eldorado. Fortune too did upon this what ſhe has done upon very few other occaſions. She realized in ſome meaſure the extravagant hopes of her votaries, and in the diſcovery and conqueſt of Mexico and Peru (of which the one happened about thirty, the other about forty years after the firſt expedition of Columbus) ſhe preſented them with ſomething not very unlike that profuſion of the precious metals which they ſought for.

A project of commerce to the Eaſt Indies, therefore, gave occaſion to the firſt diſcovery of the Weſt. A project of conqueſt gave occaſion to all the eſtabliſhments of the Spaniards in thoſe newly diſcovered countries. The motive which excited them to this conqueſt was a project of gold and ſilver mines; and a courſe of accidents, which no human wiſdom could foreſee, rendered this project much more ſucceſsful than the undertakers had any reaſonable grounds for expecting.

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THE firſt adventurers of all the other nations of Europe, who attempted to make ſettlements in America, were animated by the like chimerical views; but they were not equally ſucceſsful. It was more than a hundred years after the firſt ſettlement of the Brazils, before any ſilver, gold, or diamond mines were diſcovered there. In the Engliſh, French, Dutch and Daniſh colonies, none have ever yet been diſcovered; at leaſt none that are at preſent ſuppoſed to be worth the working. The firſt Engliſh ſettlers in North America, however, offered a fifth of all the gold and ſilver which ſhould be found there, to the king as a motive for granting them their patents. In the patents to Sir Walter Raleigh, to the London and Plymouth companies, to the council of Plymouth, &c. this fifth was accordingly reſerved to the crown. To the expectation of finding gold and ſilver mines, thoſe firſt ſettlers too joined that of diſcovering a north weſt paſſage to the Eaſt Indies. They have hitherto been diſappointed in both.

PART SECOND.

Cauſes of the proſperity of new colonies.

THE colony of a civilized nation which takes poſſeſſion, either of a waſte country, or of one ſo thinly inhabited, that the natives eaſily give place to the new ſettlers, advances more rapidly to wealth and greatneſs than any other human ſociety.

THE coloniſts carry out with them a knowledge of agriculture and of other uſeful arts, ſuperior to what can grow up of its own accord in the courſe of many centuries among ſavage and barbarous nations. They carry out with them too the habit of ſubordination, ſome notion of the regular government which takes place in their own country, of the ſyſtem of laws which ſupport it, and of a regular adminiſtration of juſtice; and they naturally eſtabliſh ſomething of the ſame kind in the new ſettlement. But among ſavage

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and barbarous nations, the natural progreſs of law and government is ſtill ſlower than the natural progreſs of arts, after law and government have been ſo far eſtabliſhed, as is neceſſary for their protection. Every coloniſt gets more land than he can poſſibly cultivate. He has no rent, and ſcarce any taxes to pay. No landlord ſhares with him in its produce, and the ſhare of the ſovereign is commonly but a trifle. He has every motive to render as great as poſſible a produce, which is thus to be almoſt entirely his own. But his land is commonly ſo extenſive, that with all his own induſtry, and with all the induſtry of other people whom he can get to employ, he can ſeldom make it produce the tenth part of what it is capable of producing. He is eager, therefore, to collect labourers from all quarters, and to reward them with the moſt liberal wages. But thoſe liberal wages, joined to the plenty and cheapneſs of land, ſoon make thoſe labourers leave him in order to become landlords themſelves, and to reward, with equal liberality, other labourers, who ſoon leave them for the ſame reaſon that they left their firſt maſter. The liberal reward of labour encourages marriage. The children during the tender years of infancy are well fed and properly taken care of, and when they are grown up, the value of their labour greatly over-pays their maintenance. When arrived at maturity, the high price of labour, and the low price of land, enable them to eſtabliſh themſelves in the ſame manner as their fathers did before them.

In other countries, rent and profit eat up wages, and the two ſuperior orders of people oppreſs the inferior one. But in new colonies, the intereſt of the two ſuperior orders obliges them to treat the inferior one with more generoſity and humanity; at leaſt, where that inferior one is not in a ſtate of ſlavery. Waſte lands, of the greateſt natural fertility, are to be had for a trifle. The increaſe of revenue which the proprietor, who is always the undertaker, expects

pects from their improvement, conſtitutes his profit; which in theſe circumſtances is commonly very great. But this great profit cannot be made without employing the labour of other people in clearing and cultivating the land; and the diſproportion between the great extent of the land and the ſmall number of the people, which commonly takes place in new colonies, makes it difficult for him to get this labour. He does not, therefore, diſpute about wages, but is willing to employ labour at any price. The high wages of labour encourage population. The cheapneſs and plenty of good land encourage improvement, and enable the proprietor to pay thoſe high wages. In thoſe wages conſiſts almoſt the whole price of the land; and though they are high, conſidered as the wages of labour, they are low, conſidered as the price of what is ſo very valuable. What encourages the progreſs of population and improvement, encourages that of real wealth and greatneſs.

The progreſs of many of the antient Greek colonies towards wealth and greatneſs, ſeems accordingly to have been very rapid. In the courſe of a century or two, ſeveral of them appear to have rivalled and even to have ſurpaſſed their mother cities. Syracuſe and Aggrigentum in Sicily, Tarentum and Locri in Italy, Epheſus and Miletus in leſſer Aſia, appear by all accounts to have been, at leaſt, equal to any of the cities of antient Greece. Though poſterior in their eſtabliſhment, yet all the arts of refinement, philoſophy, poetry, and eloquence, ſeem to have been cultivated as early, and to have been improved as highly in them, as in any part of the mother country. The ſchools of the two oldeſt Greek philoſophers, thoſe of Thales and Pythagoras, were eſtabliſhed, it is remarkable, not in antient Greece, but the one in an Aſiatick, the other in an Italian colony. All thoſe colonies had eſtabliſhed themſelves in countries inhabited by ſavage and barbarous nations, who eaſily gave place to the new ſettlers. They had plenty of good land, and as they were altogether independent of the mother city, they were

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were at liberty to manage their own affairs in the way that they judged was moſt ſuitable to their own intereſt.

The hiſtory of the Roman colonies is by no means ſo brilliant. Some of them indeed, ſuch as Florence, have in the courſe of many ages, and after the fall of the mother city, grown up to be conſiderable ſtates. But the progreſs of no one of them ſeems ever to have been very rapid. They were all eſtabliſhed in conquered provinces, which in moſt caſes had been fully inhabited before. The quantity of land aſſigned to each coloniſt was ſeldom very conſiderable, and as the colony was not independent, they were not always at liberty to manage their own affairs in the way that they judged was moſt ſuitable to their own intereſt.

In the plenty of good land, the European colonies eſtabliſhed in America and the Weſt-Indies reſemble, and even greatly ſurpaſs thoſe of antient Greece. In their dependency upon the mother ſtate, they reſemble thoſe of antient Rome; but their great diſtance from Europe has in all of them alleviated more or leſs the effects of this dependency. Their ſituation has placed them leſs in the view and leſs in the power of their mother country. In purſuing their intereſt their own way, their conduct has, upon many occaſions, been over-looked, either becauſe not known or not underſtood in Europe; and upon ſome occaſions it has been fairly ſuffered and ſubmitted to, becauſe their diſtance rendered it difficult to reſtrain it. Even the violent and arbitrary government of Spain has, upon many occaſions, been obliged to recall or ſoften the orders which had been given for the government of its colonies, for fear of a general inſurrection. The progreſs of all the European colonies in wealth, population and improvement, has accordingly been very great.

The

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THE crown of Spain, by its ſhare of the gold and ſilver, derived ſome revenue from its colonies, from the moment of their firſt eſtabliſhment. It was a revenue too, of a nature to excite in human avidity the moſt extravagant expectations of ſtill greater riches. The Spaniſh colonies, therefore, from the moment of their firſt eſtabliſhment, attracted very much the attention of their mother country; while thoſe of the other European nations were for a long time in a great meaſure neglected. The former did not, perhaps, thrive the better in conſequence of this attention; nor the latter the worſe in conſequence of this neglect. In proportion to the extent of the country which they in ſome meaſure poſſeſs, the Spaniſh colonies are conſidered as leſs populous and thriving than thoſe of almoſt any other European nation. The progreſs even of the Spaniſh colonies, however, in population and improvement, has certainly been very rapid and very great. The city of Lima, founded ſince the conqueſt, is repreſented by Ulloa, as containing fifty thouſand inhabitants near thirty years ago. Quito, which had been but a miſerable hamlet of Indians, is repreſented by the ſame author as in his time equally populous. Gemelli Carreri, a pretended traveller, it is ſaid, indeed, but who ſeems every where to have written upon extreme good information, repreſents the city of Mexico as containing a hundred thouſand inhabitants; a number which, in ſpite of all the exaggerations of the Spaniſh writers, is, probably, more than five times greater than what it contained in the time of Montezuma. Theſe numbers exceed greatly thoſe of Boſton, New York and Philadelphia, the three greateſt cities of the Engliſh colonies. Before the conqueſt of the Spaniards there were no cattle fit for draught, either in Mexico or Peru. The lama was their only beaſt of burden, and its ſtrength ſeems to have been a good deal inferior to that of a common aſs. The plough was unknown among them. They were ignorant of the uſe of iron. They had no coined money, nor any eſtabliſhed inſtrument of commerce of any kind. Their commerce was carried on by barter. A ſort

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of wooden ſpade was their principal inſtrument of agriculture. Sharp ſtones ſerved them for knives and hatchets to cut with; fiſh bones and the hard ſinews of certain animals ſerved them for needles to ſew with; and theſe ſeem to have been their principal inſtruments of trade. In this ſtate of things, it ſeems impoſſible, that either of thoſe empires could have been ſo much improved or ſo well cultivated as at preſent, when they are plentifully furniſhed with all ſorts of European cattle, and when the uſe of iron, of the plough, and of many of the arts of Europe, has been introduced among them. But the populouſneſs of every country muſt be in proportion to the degree of its improvement and cultivation. In ſpite of the cruel deſtruction of the natives which followed the conqueſt, theſe two great empires are, probably, more populous now than they ever were before, and the people are ſurely very different; for we muſt acknowledge, I apprehend, that the Spaniſh creoles are in many reſpects ſuperior to the antient Indians.

After the ſettlements of the Spaniards, that of the Portugueze in Brazil is the oldeſt of any European nation in America. But as for a long time after the firſt diſcovery, neither gold nor ſilver mines were found in it, and as it afforded, upon that account, little or no revenue to the crown, it was for a long time in a great meaſure neglected; and during this ſtate of neglect, it grew up to be a great and powerful colony. While Portugal was under the dominion of Spain, Brazil was attacked by the Dutch, who got poſſeſſion of ſeven of the fourteen provinces into which it is divided. They expected ſoon to conquer the other ſeven, when Portugal recovered its independency by the elevation of the family of Braganza to the throne. The Dutch then, as enemies to the Spaniards, became friends to the Portugueze, who were likewiſe the enemies of the Spaniards. They agreed, therefore, to leave that part of Brazil, which they had not conquered, to the king of Portugal, who agreed to leave that part which they had conquered to them, as a matter

not worth diſputing about with ſuch good allies. But the Dutch government ſoon began to oppreſs the Portugueze coloniſts, who, inſtead of amuſing themſelves with complaints, took arms againſt their new maſters, and by their own valour and reſolution, with the connivance indeed, but without any avowed aſſiſtance from the mother country, drove them out of Brazil. The Dutch, therefore, finding it impoſſible to keep any part of the country to themſelves, were contented that it ſhould be entirely reſtored to the crown of Portugal. In this colony there are ſaid to be more than ſix hundred thouſand people, either Portugueze or deſcended from Portugueze, creoles, mulattoes, and a mixed race between Portugueze and Brazilians. No one colony in America is ſuppoſed to contain ſo great a number of people of European extraction.

Towards the end of the fifteenth, and during the greater part of the ſixteenth century, Spain and Portugal were the two great naval powers upon the ocean; for though the commerce of Venice extended to every part of Europe, its fleets had ſcarce ever ſailed beyond the Mediterranean. The Spaniards, in virtue of the firſt diſcovery, claimed all America as their own; and though they could not hinder ſo great a naval power as that of Portugal from ſettling in Brazil, ſuch was, at that time, the terror of their name, that the greater part of the other nations of Europe were afraid to eſtabliſh themſelves in any other part of that great continent. The French, who attempted to ſettle in Florida, were all murdered by the Spaniards. But the declenſion of the naval power of this latter nation, in conſequence of the defeat or miſcarriage of, what they called their Invincible Armada, which happened towards the end of the ſixteenth century, put it out of their power to obſtruct any longer the ſettlements of the other European nations. In the courſe of the ſeventeenth century, therefore, the Engliſh, French, Dutch, Danes and Swedes, all the great nations who had any ports upon the ocean, attempted to make ſome ſettlements in the new world.

THE Swedes eſtabliſhed themſelves in New Jerſey; and the number of Swediſh families ſtill to be found there, ſufficiently demonſtrates, that this colony was very likely to proſper, had it been protected by the mother country. But being neglected by Sweden, it was ſoon ſwallowed up by the Dutch colony of New York, which again in 1674, fell under the dominion of the Engliſh.

THE ſmall iſlands of St. Thomas and Santa Cruz are the only countries in the new world that have ever been poſſeſſed by the Danes. Theſe little ſettlements too were under the government of an excluſive company, which had the ſole right, both of purchaſing the ſurplus produce of the coloniſts, and of ſupplying them with ſuch goods of other countries as they wanted, and which, therefore, both in its purchaſes and ſales, had not only the power of oppreſſing them, but the greateſt temptation to do ſo. The government of an excluſive company of merchants is, perhaps, the worſt of all governments for any country whatever. It was not, however, able to ſtop altogether the progreſs of theſe colonies, though it rendered it more ſlow and languid. The late king of Denmark diſſolved this company, and ſince that time the proſperity of theſe colonies has been very great.

THE Dutch ſettlements in the Weſt, as well as thoſe in the Eaſt Indies, were originally put under the government of an excluſive company. The progreſs of ſome of them, therefore, though it has been conſiderable, in compariſon with that of almoſt any country that has been long peopled and eſtabliſhed, has been languid and ſlow in compariſon with that of the greater part of new colonies. The colony of Surinam, though very conſiderable, is ſtill inferior to the greater part of the ſugar colonies of the other European nations. The colony of Nova Belgia, now divided into the two provinces of New York and New Jerſey, would probably have ſoon become conſiderable too, even though it had remained

mained under the government of the Dutch. The plenty and cheapneſs of good land are ſuch powerful cauſes of proſperity, that the very worſt government is ſcarce capable of checking altogether the efficacy of their operation. The great diſtance too from the mother country would enable the coloniſts to evade more or leſs by ſmuggling the monopoly which the company enjoyed againſt them. At preſent the company allows all Dutch ſhips to trade to Surinam upon paying two and a half per cent. upon the value of their cargo for a licence; and only reſerves to itſelf excluſively the direct trade from Africa to America, which conſiſts almoſt entirely in the ſlave trade. This relaxation in the excluſive privileges of the company, is probably the principal cauſe of that degree of proſperity which that colony at preſent enjoys. Curaçoa and Euſtatia, the two principal iſlands belonging to the Dutch, are free ports open to the ſhips of all nations; and this freedom, in the midſt of better colonies whoſe ports are open to thoſe of one nation only, has been the great cauſe of the proſperity of thoſe two barren iſlands.

The French colony of Canada was, during the greater part of the laſt century, and ſome part of the preſent, under the government of an excluſive company. Under ſo unfavourable an adminiſtration its progreſs was neceſſarily very ſlow in compariſon with that of other new colonies; but it became much more rapid when this company was diſſolved after the fall of what is called the Miſſiſſipi ſcheme. When the Engliſh got poſſeſſion of this country, they found in it near double the number of inhabitants which father Charlevoix had aſſigned to it between twenty and thirty years before. That jeſuit had travelled over the whole country, and had no inclination to repreſent it as leſs conſiderable than it really was.

The French colony of St. Domingo was eſtabliſhed by pirates and free-booters, who, for a long time, neither required the protection,

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tection, nor acknowledged the authority of France; and when the race of banditti became ſo far citizens as to acknowledge this authority, it was for a long time neceſſary to exerciſe it with very great gentleneſs. During this period the population and improvement of this colony encreaſed very faſt. Even the oppreſſion of the excluſive company to which it was for ſome time ſubjected, with all the other colonies of France, though it no doubt retarded, had not been able to ſtop its progreſs altogether. The courſe of its proſperity returned as ſoon as it was relieved from that oppreſſion. It is now the moſt important of the ſugar colonies of the Weſt Indies, and its produce is ſaid to be greater than that of all the Engliſh ſugar colonies put together. The other ſugar colonies of France are in general all very thriving.

But there are no colonies of which the progreſs has been more rapid than that of the Engliſh in North America.

Plenty of good land, and liberty to manage their own affairs their own way, ſeem to be the two great cauſes of the proſperity of all new colonies.

In the plenty of good land the Engliſh colonies of North America, though, no doubt, very abundantly provided, are, however, inferior to thoſe of the Spaniards and Portugueze, and not ſuperior to ſome of thoſe poſſeſſed by the French before the late war. But the political inſtitutions of the Engliſh colonies have been more favourable to the improvement and cultivation of this land, than thoſe of any of the other three nations.

First, the engroſſing of uncultivated land, though it has by no means been prevented altogether, has been more reſtrained in the Engliſh colonies than in any other. The colony law which impoſes

poſes upon every proprietor the obligation of improving and cultivating, within a limited time, a certain proportion of his lands, and which, in caſe of failure, declares thoſe neglected lands grantable to any other perſon; though it has not, perhaps, been very ſtrictly executed, has, however, had ſome effect.

SECONDLY, in Penſylvania there is no right of primogeniture, and lands, like moveables, are divided equally among all the children of the family. In three of the provinces of New England the oldeſt has only a double ſhare, as in the Moſaical law. Though in thoſe provinces, therefore, too great a quantity of land ſhould ſometimes be engroſſed by a particular individual, it is likely, in the courſe of a generation or two, to be ſufficiently divided again. In the other Engliſh colonies, indeed, the right of primogeniture takes place, as in the law of England. But in all the Engliſh colonies the tenure of their lands, which are all held by free ſocage, facilitates alienation, and the grantee of any extenſive tract of land generally finds it for his intereſt to alienate, as faſt as he can, the greater part of it, reſerving only a ſmall quit-rent. In the Spaniſh and Portugueze colonies, what is called the right of Mayorazzo * takes place in the ſucceſſion of all thoſe great eſtates to which any title of honour is annexed. Such eſtates go all to one perſon, and are in effect entailed and unalienable. The French colonies, indeed, are ſubject to the cuſtom of Paris, which, in the inheritance of land, is much more favourable to the younger children than the law of England. But, in the French colonies, if any part of an eſtate, held by the noble tenure of chivalry and homage, is alienated, it is, for a limited time, ſubject to the right of redemption, either by the heir of the ſuperior or by the heir of the family; and all the largeſt eſtates of the country are held by ſuch noble tenures, which neceſſarily embarraſs alienation. But, in a new colony, a great uncultivated eſtate is likely to be much more

* Jus Mayoratus.

more ſpeedily divided by alienation than by ſucceſſion. The engroſſing, however, of uncultivated land, it has already been obſerved, is the greateſt obſtruction to its improvement and cultivation; and the labour that is employed in the improvement and cultivation of land, affords the greateſt and moſt valuable produce to the ſociety. Its produce, in this caſe, pays not only its own wages, and the profit of the ſtock which employs it, but the rent of the land too upon which it is employed. The labour of the Engliſh coloniſts, therefore, being more employed in the improvement and cultivation of land, is likely to afford a greater and more valuable produce than that of any of the other three nations, which, by the engroſſing of land, is more or leſs diverted towards other employments.

THIRDLY, the labour of the Engliſh coloniſts is not only likely to afford a greater and more valuable produce, but, in conſequence of the moderation of their taxes, a greater proportion of this produce belongs to themſelves, which they may ſtore up and employ in putting into motion a ſtill greater quantity of labour. The Engliſh coloniſts have never yet contributed any thing towards the defence of the mother country, or towards the ſupport of its civil government. They themſelves, on the contrary, have hitherto been defended almoſt entirely at the expence of the mother country. But the expence of fleets and armies is out of all proportion greater than the neceſſary expence of civil government. The expence of their own civil government has always been very moderate. It has generally been confined to what was neceſſary for paying competent ſalaries to the governor, to the judges, and to ſome other officers of police, and for maintaining a few of the moſt uſeful publick works. The expence of the civil eſtabliſhment of Maſſachuſets Bay, before the commencement of the preſent diſturbances, uſed to be but about 18,000l. a year. That of New Hampſhire and Rhode

Rhode Iſland 3,500l. each. That of Connecticut 4,000l. That of New York and Penſilvania 4,500l. each. That of New Jerſey 1,200l. That of Virginia and South Carolina 8,000l. each. The civil eſtabliſhment of Nova Scotia and Georgia are partly ſupported by an annual grant of parliament. But Nova Scotia pays, beſides, about 7,000l. a year towards the publick expences of the colony; and Georgia about 2,500l. a year. All the different civil eſtabliſhments in North America, in ſhort, excluſive of thoſe of Maryland and North Carolina, of which no exact account has been got, did not, before the commencement of the preſent diſturbances, coſt the inhabitants above 64,700l. a year; an ever memorable example at how ſmall an expence three millions of people may not only be governed, but well governed. The moſt important part of the expence of government, indeed, that of defence and protection, has conſtantly fallen upon the mother country. The ceremonial too of the civil government in the colonies, upon the reception of a new governor, upon the opening of a new aſſembly, &c. though ſufficiently decent, is not accompanied with any expenſive pomp or parade. Their eccleſiaſtical government is conducted upon a plan equally frugal. Tithes are unknown among them; and their clergy, who are far from being numerous, are maintained either by moderate ſtipends, or by the voluntary contributions of the people. The power of Spain and Portugal, on the contrary, derives ſome ſupport from the taxes levied upon their colonies. France, indeed, has never drawn any conſiderable revenue from its colonies, the taxes which it levies upon them being generally ſpent among them. But the colony government of all theſe three nations is conducted upon a much more expenſive plan, and is accompanied with a much more expenſive ceremonial. The ſums ſpent upon the reception of a new viceroy of Peru, for example, have frequently been enormous. Such ceremonials are not only real taxes paid by the rich coloniſts upon thoſe particular occaſions,

but they ſerve to introduce among them the habit of vanity and expence upon all other occaſions. They are not only very grievous occaſional taxes, but they contribute to eſtabliſh perpetual taxes of the ſame kind ſtill more grievous; the ruinous taxes of private luxury and extravagance. In the colonies of all thoſe three nations too the eccleſiaſtical government is extremely oppreſſive. Tithes take place in all of them, and are levied with the utmoſt rigour in thoſe of Spain and Portugal. All of them beſides are oppreſſed with a numerous race of mendicant friars, whoſe beggary being not only licenſed, but conſecrated by religion, is a moſt grievous tax upon the poor people, who are moſt carefully taught that it is a duty to give, and a very great ſin to refuſe them their charity. Over and above all this the clergy are, in all of them, the greateſt engroſſers of land.

FOURTHLY, in the diſpoſal of their ſurplus produce, or of what is over and above their own conſumption, the Engliſh colonies have been more favoured, and have been allowed a more extenſive market than thoſe of any other European nation. Every European nation has endeavoured more or leſs to monopolize to itſelf the commerce of its colonies, and, upon that account, has prohibited the ſhips of foreign nations from trading to them, and has prohibited them from importing European goods from any foreign nation. But the manner in which this monopoly has been exerciſed in different nations has been very different.

SOME nations have given up the whole commerce of their colonies to an excluſive company, of whom the coloniſts were obliged to buy all ſuch European goods as they wanted, and to whom they were obliged to ſell the whole of their own ſurplus produce. It was the intereſt of the company, therefore, not only to ſell the former as dear, and to buy the latter as cheap as poſſible, but to buy

no

no more of the latter, even at this low price, than what they could diſpoſe of for a very high price in Europe. It was their intereſt, not only to degrade in all caſes the value of the ſurplus produce of the colony, but in many caſes to diſcourage and keep down the natural increaſe of its quantity. Of all the expedients that can well be contrived to ſtunt the natural growth of a new colony, that of an excluſive company is undoubtedly the moſt effectual. This, however, has been the policy of Holland, though their company in the courſe of the preſent century, has given up in many reſpects the exertion of their excluſive privilege. This too was the policy of Denmark till the reign of the late king. It has occaſionally been the policy of France, and of late, ſince 1755, after it had been abandoned by all other nations, on account of its abſurdity, it has become the policy of Portugal with regard at leaſt to two of the principal provinces of Brazil, Fernumbuco and Marannon.

OTHER nations, without eſtabliſhing an excluſive company, have confined the whole commerce of their colonies to a particular port of the mother country, from whence no ſhip was allowed to ſail, but either in a fleet and at a particular ſeaſon, or, if ſingle, in conſequence of a particular licence, which in moſt caſes was very well paid for. This policy opened, indeed, the trade of the colonies to all the natives of the mother country, provided they traded from the proper port, at the proper ſeaſon and in the proper veſſels. But as all the different merchants, who joined their ſtocks in order to fit out thoſe licenſed veſſels, would find it for their intereſt to act in concert, the trade which was carried on in this manner would neceſſarily be conducted very nearly upon the ſame principles as that of an excluſive company. The profit of thoſe merchants would be almoſt equally exorbitant and oppreſſive. The colonies would be ill ſupplied, and

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would be obliged both to buy very dear, and to ſell very cheap. This, however, has always been the policy of Spain, and the price of all European goods, accordingly, is ſaid to be enormous in the Spaniſh Weſt Indies. At Quito, we are told by Ulloa, a pound of iron ſells for about four and ſixpence, and a pound of ſteel for about ſix and nine-pence ſterling. But it is chiefly in order to purchaſe European goods, that the colonies part with their own produce. The more, therefore, they pay for the one, the leſs they really get for the other, and the dearneſs of the one is the ſame thing with the cheapneſs of the other. The policy of Portugal is in this reſpect the ſame as that of Spain, with regard to all its colonies, except Fernambuco and Marannon, and with regard to theſe it has lately adopted a ſtill worſe.

Other nations leave the trade of their colonies free to all their ſubjects who may carry it on from all the different ports of the mother country, and who have occaſion for no other licence than the common diſpatches of the cuſtomhouſe. In this caſe the number and diſperſed ſituation of the different traders renders it impoſſible for them to enter into any general combination, and their competition is ſufficient to hinder them from making very exorbitant profits. Under ſo liberal a policy the colonies are enabled both to ſell their own produce and to buy the goods of Europe at a reaſonable price. But ſince the diſſolution of the Plymouth company, when our colonies were but in their infancy, this has always been the policy of England. It has generally too been that of France, and it has been uniformly ſo ſince the diſſolution of what, in England, is commonly called their Miſſiſippi company. The profits of the trade therefore which France and England carry on with their colonies, though no doubt ſomewhat higher than if the competition was free to all other nations, are, however, by no means exorbitant; and the price of European goods accordingly is not extravagantly high in the greater part of the colonies of either of thoſe nations.

In

In the exportation of their own ſurplus produce too it is only with regard to certain commodities that the colonies of Great Britain are confined to the market of the mother country. Theſe commodities having been enumerated in the Act of navigation and in ſome other ſubſequent acts, have upon that account been called *enumerated commodities*. The reſt are called *non-enumerated*; and may be exported directly to other countries, provided it is in Britiſh or Plantation ſhips of which the owners and three-fourths of the mariners are Britiſh ſubjects.

Among the non-enumerated commodities are ſome of the moſt important productions of America and the Weſt Indies; grain of all ſorts, lumber, ſalt proviſions, fiſh, ſugar, and rum.

Grain is naturally the firſt and principal object of the culture of all new colonies. By allowing them a very extenſive market for it, the law encourages them to extend this culture much beyond the conſumption of a thinly inhabited country, and thus to provide beforehand an ample ſubſiſtence for a continually increaſing population.

In a country quite covered with wood, where timber conſequently is of little or no value, the expence of clearing the ground is the principal obſtacle to improvement. By allowing the colonies a very extenſive market for their lumber, the law endeavours to facilitate improvement by raiſing the price of a commodity which would otherwiſe be of little value, and thereby enabling them to make ſome profit of what would otherwiſe be meer expence.

In a country neither half peopled nor half cultivated, cattle naturally multiply beyond the conſumption of the inhabitants, and are often upon that account of little or no value. But it is neceſſary,

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neceſſary, it has already been ſhewn, that the price of cattle ſhould bear a certain proportion to that of corn before the greater part of the lands of any country can be improved. By allowing to American cattle, in all ſhapes, dead and alive, a very extenſive market, the law endeavours to raiſe the value of a commodity of which the high price is ſo very eſſential to improvement. The good effects of this liberty, however, muſt be ſomewhat diminiſhed by the 4th of George III. c. 15. which puts hides and ſkins among the enumerated commodities, and thereby tends to reduce the value of American cattle.

To increaſe the ſhipping and naval power of Great Britain, by the extenſion of the fiſheries of our colonies, is an object which the legiſlature ſeems to have had almoſt conſtantly in view. Thoſe fiſheries, upon this account, have had all the encouragement which freedom can give them, and they have flouriſhed accordingly. The New-England fiſhery in particular was, before the late diſturbances, one of the moſt important, perhaps, in the world. The whale-fiſhery which, notwithſtanding an extravagant bounty, is in Great Britain carried on to ſo little purpoſe, that in the opinion of many people (which I do not, however, pretend to warrant) the whole produce does not much exceed the value of the bounties which are annually paid for it, is in New England carried on without any bounty to a very great extent. Fiſh is one of the principal articles with which the North Americans trade to Spain, Portugal and the Mediterranean.

Sugar was originally an enumerated commodity which could be exported only to Great Britain. But in 1731, upon a repreſentation of the ſugar planters, its exportation was permitted to all parts of the world. The reſtrictions, however, with which this liberty was granted, joined to the high price of ſugar in Great Britain, have rendered it, in a great meaſure, ineffectual. Great Britain

and her colonies, ſtill continue to be almoſt the ſole market for all the ſugar produced in the Britiſh plantations. Their conſumption increaſes ſo faſt that, though in conſequence of the increaſing improvement of Jamaica as well as of the ceded iſlands, the importation of ſugar has increaſed very greatly within theſe twenty years, the exportation to foreign countries is ſaid to be not much greater than before.

Rum is a very important article in the trade which the Americans carry on to the coaſt of Africa, from which they bring back negroe ſlaves in return.

If the whole ſurplus produce of America in grain of all ſorts, in ſalt proviſions and in fiſh, had been put into the enumeration, and thereby forced into the market of Great Britain, it would have interfered too much with the produce of the induſtry of our own people. It was probably not ſo much from any regard to the intereſt of America, as from a jealouſy of this interference, that thoſe important commodities have not only been kept out of the enumeration, but that the importation into Great Britain of all grain, except rice, and of ſalt proviſions has, in the ordinary ſtate of the law, been prohibited.

The non-enumerated commodities could originally be exported to all parts of the world. Lumber and rice, having been once put into the enumeration, when they were afterwards taken out of it, were confined, as to the European market, to the countries that lie ſouth of Cape Finiſterre. By the 6th of George III. c. 52. all non-enumerated commodities were ſubjected to the like reſtriction. The parts of Europe which lie ſouth of Cape Finiſterre, are not manufacturing countries, and we were leſs jealous of the colony ſhips carrying home from them any manufactures which could interfere with our own.

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The enumerated commodities are of two ſorts: firſt, ſuch as are either the peculiar produce of America, or as cannot be produced, or at leaſt are not produced in the mother country. Of this kind are melaſſes, coffee, cacao-nuts, tobacco, pimento, ginger, whale-fins, raw ſilk, cotton-wool, beaver, and other peltry of America, indigo, fuſtick, and other dying woods: ſecondly, ſuch as are not the peculiar produce of America, but which are and may be produced in the mother country, though not in ſuch quantities as to ſupply the greater part of her demand, which is principally ſupplied from foreign countries. Of this kind are all naval ſtores, maſts, yards, and bowſprits, tar, pitch, and turpentine, pig and bar iron, copper ore, hides and ſkins, pot and pearl aſhes. The largeſt importation of commodities of the firſt kind could not diſcourage the growth or interfere with the ſale of any part of the produce of the mother country. By confining them to the home market, our merchants, it was expected, would not only be enabled to buy them cheaper in the plantations, and conſequently to ſell them with a better profit at home, but to eſtabliſh between the plantations and foreign countries an advantageous carrying trade, of which Great Britain was neceſſarily to be the center or emporium, as the European country into which thoſe commodities were firſt to be imported. The importation of commodities of the ſecond kind might be ſo managed too, it was ſuppoſed, as to interfere, not with the ſale of thoſe of the ſame kind which were produced at home, but with that of thoſe which were imported from foreign countries; becauſe by means of proper duties, they might be rendered always ſomewhat dearer than the former, and yet a good deal cheaper than the latter. By confining ſuch commodities to the home market, therefore, it was propoſed to diſcourage the produce, not of Great Britain, but of ſome foreign countries with which the balance of trade was believed to be unfavourable to Great Britain.

THE prohibition of exporting from the colonies, to any other country but Great Britain, maſts, yards, and bowſprits, tar, pitch, and turpentine, naturally tended to lower the price of timber in the colonies, and conſequently to increaſe the expence of clearing their lands, the principal obſtacle to their improvement. But about the beginning of the preſent century, in 1703, the pitch and tar company of Sweden endeavoured to raiſe the price of their commodities to Great Britain, by prohibiting their exportation, except in their own ſhips, at their own price, and in ſuch quantities as they thought proper. In order to counteract this notable piece of mercantile policy, and to render herſelf as much as poſſible independent, not only of Sweden, but of all the other northern powers, Great Britain gave a bounty upon the importation of naval ſtores from America, and the effect of this bounty was to raiſe the price of timber in America, much more than the confinement to the home market could lower it; and as both regulations were enacted at the ſame time, their joint effect was rather to encourage than to diſcourage the clearing of land in America.

THOUGH pig and bar iron too have been put among the enumerated commodities, yet as, when imported from America, they are exempted from conſiderable duties to which they are ſubject when imported from any other country, the one part of the regulation contributes more to encourage the erection of furnaces in America, than the other to diſcourage it. There is no manufacture which occaſions ſo great a conſumption of wood as a furnace, or which can contribute ſo much to the clearing of a country overgrown with it.

THE tendency of ſome of theſe regulations to raiſe the value of timber in America, and, thereby, to facilitate the clearing of the land, was neither, perhaps, intended nor underſtood by

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the legiſlature. Though their beneficial effects, however, have been in this reſpect accidental, they have not upon that account been leſs real.

THE moſt perfect freedom of trade is permitted between the Britiſh colonies of America and the Weſt Indies, both in the enumerated and in the non-enumerated commodities. Thoſe colonies are now become ſo populous and thriving, that each of them finds in ſome of the others a great and extenſive market for every part of its produce. All of them taken together, they make a great internal market for the produce of one another.

THE liberality of England, however, towards the trade of her colonies has been confined chiefly to what concerns the market for their produce, either in its rude ſtate, or in what may be called the very firſt ſtage of manufacture. The more advanced or more refined manufactures even of the colony produce, the merchants and manufacturers of Great Britain chuſe to reſerve to themſelves, and have prevailed upon the legiſlature to prevent their eſtabliſhment in the colonies, ſometimes by high duties, and ſometimes by abſolute prohibitions.

WHILE, for example, Muſkovado ſugars from the Britiſh plantations, pay upon importation only 6s. 4d. the hundred weight; white ſugars pay 1l. 1s. 1d.; and refined, either double or ſingle, in loaves 4l. 2s. 5d. $\frac{8}{20}$. When thoſe high duties were impoſed, Great Britain was the ſole, and ſhe ſtill continues to be the principal market to which the ſugars of the Britiſh colonies could be exported. They amounted, therefore, to a prohibition, at firſt of claying or refining ſugar for any foreign market, and at preſent of claying or refining it for the market, which takes off, perhaps, more than nine-tenths of the whole produce. The manufacture of claying or refining ſugar accordingly,

ingly, though it has flouriſhed in all the ſugar colonies of France, has been little cultivated in any of thoſe of England, except for the market of the colonies themſelves. While Grenada was in the hands of the French, there was a refinery of ſugar by claying, at leaſt, upon almoſt every plantation. Since it fell into thoſe of the Engliſh, almoſt all works of this kind have been given up, and there are at preſent, October 1773, I am aſſured, not above two or three remaining in the iſland. At preſent, however, by an indulgence of the cuſtom-houſe, clayed or refined ſugar, if reduced from loaves into powder, is commonly imported as Muſkovado.

While Great Britain encourages in America the manufactures of pig and bar iron, by exempting them from duties to which the like commodities are ſubject when imported from any other country, ſhe impoſes an abſolute prohibition upon the erection of ſteel furnaces and ſlit-mills in any of her American plantations. She will not ſuffer her coloniſts to work in thoſe more refined manufactures even for their own conſumption; but inſiſts upon their purchaſing of her merchants and manufacturers all goods of this kind which they have occaſion for.

She prohibits the exportation from one province to another by water, and even the carriage by land upon horſe-back or in a cart, of hats, of wools and woollen goods, of the produce of America; a regulation which effectually prevents the eſtabliſhment of any manufacture of ſuch commodities for diſtant ſale, and confines the induſtry of her coloniſts in this way to ſuch coarſe and houſhold manufactures, as a private family commonly makes for its own uſe, or for that of ſome of its neighbours in the ſame province.

To prohibit a great people, however, from making all that they can of every part of their own produce, or from employing their ſtock

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and induſtry in the way that they judge moſt advantageous to themſelves, is a manifeſt violation of the moſt ſacred rights of mankind. Unjuſt, however, as ſuch prohibitions may be, they have not hitherto been very hurtful to the colonies. Land is ſtill ſo cheap, and, conſequently, labour ſo dear among them, that they can import from the mother country, almoſt all the more refined or more advanced manufactures cheaper than they could make them for themſelves. Though they had not, therefore, been prohibited from eſtabliſhing ſuch manufactures, yet in their preſent ſtate of improvement, a regard to their own intereſt would, probably, have prevented them from doing ſo. In their preſent ſtate of improvement, thoſe prohibitions, perhaps, without cramping their induſtry, or reſtraining it from any employment to which it would have gone of its own accord, are only impertinent badges of ſlavery impoſed upon them, without any ſufficient reaſon, by the groundleſs jealouſy of the merchants and manufacturers of the mother country. In a more advanced ſtate they might be really oppreſſive and inſupportable.

GREAT Britain too, as ſhe confines to her own market ſome of the moſt important productions of the colonies, ſo in compenſation ſhe gives to ſome of them an advantage in that market; ſometimes by impoſing higher duties upon the like productions when imported from other countries, and ſometimes by giving bounties upon their importation from the colonies. In the firſt way ſhe gives an advantage in the home market to the ſugar, tobacco and iron of her own colonies, and in the ſecond, to their raw ſilk, to their hemp and flax, to their indigo, to their naval ſtores, and to their building timber. This ſecond way of encouraging the colony produce by bounties upon importation, is, ſo far as I have been able to learn, peculiar to Great Britain. The firſt is not. Portugal does not content herſelf with impoſing higher duties upon the importation of tobacco

tobacco from any other country, but prohibits it under the ſevereſt penalties.

WITH regard to the importation of goods from Europe, England has likewiſe dealt more liberally with her colonies than any other nation.

GREAT Britain allows a part, almoſt always the half, generally a larger portion, and ſometimes the whole of the duty which is paid upon the importation of foreign goods, to be drawn back upon their exportation to any foreign country. No independent foreign country, it was eaſy to foreſee, would receive them if they came to it loaded with the heavy duties to which almoſt all foreign goods are ſubjected on their importation into Great Britain. Unleſs, therefore, ſome part of thoſe duties was drawn back upon exportation, there was an end of the carrying trade; a trade ſo much favoured by the mercantile ſyſtem.

OUR colonies, however, are by no means independent foreign countries; and Great Britain having aſſumed to herſelf the excluſive right of ſupplying them with all goods from Europe, might have forced them (in the ſame manner as other countries have done their colonies) to receive ſuch goods, loaded with all the ſame duties which they paid in the mother country. But, on the contrary, till 1763, the ſame drawbacks were paid upon the exportation of the greater part of foreign goods to our colonies as to any independent foreign country. In 1763, indeed, by the 4th of George IIId, c. 15. this indulgence was a good deal abated, and it was enacted, "That no part of the duty called the old ſubſidy ſhould be drawn "back for any goods of the growth, production, or manufacture "of Europe or the Eaſt Indies, which ſhould be exported from "this kingdom to any Britiſh colony or plantation in America; "wines, white callicoes and muſlins excepted." Before this law, many different ſorts of foreign goods might have been bought

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cheaper in the plantations than in the mother country; and ſome may ſtill.

Of the greater part of the regulations concerning the colony trade, the merchants who carry it on, it muſt be obſerved, have been the principal adviſers. We muſt not wonder, therefore, if in the greater part of them, their intereſt has been more conſidered than either that of the colonies or that of the mother country. In their excluſive privilege of ſupplying the colonies with all the goods which they wanted from Europe, and of purchaſing all ſuch parts of their ſurplus produce as could not interfere with any of the trades which they themſelves carried on at home, the intereſt of the colonies was ſacrificed to the intereſt of thoſe merchants. In allowing the ſame drawbacks upon the re-exportation of the greater part of European and Eaſt India goods to the colonies, as upon their re-exportation to any independent country, the intereſt of the mother country was ſacrificed to it, even according to the mercantile ideas of that intereſt. It was for the intereſt of the merchants to pay as little as poſſible, for the foreign goods which they ſent to the colonies, and, conſequently, to get back as much as poſſible of the duties which they advanced upon their importation into Great Britain. They might thereby be enabled to ſell in the colonies, either the ſame quantity of goods with a greater profit, or a greater quantity with the ſame profit, and, conſequently, to gain ſomething either in the one way or the other. It was, likewiſe, for the intereſt of the colonies to get all ſuch goods as cheap and in as great abundance as poſſible. But this might not always be for the intereſt of the mother country. She might frequently ſuffer both in her revenue, by giving back a great part of the duties which had been paid upon the importation of ſuch goods; and in her manufactures, by being underſold in the colony market, in conſequence of the eaſy terms upon which foreign manufactures could be carried thither by means of thoſe drawbacks. The progreſs of the linen

manufacture of Great Britain, it is commonly ſaid, has been a good deal retarded by the drawbacks upon the re-exportation of German linen to the American colonies.

But though the policy of Great Britain with regard to the trade of her colonies has been dictated by the ſame mercantile ſpirit as that of other nations, it has, however, upon the whole, been leſs illiberal and oppreſſive than that of any of them.

In every thing, except their foreign trade, the liberty of the Engliſh coloniſts to manage their own affairs their own way is compleat. It is in every reſpect equal to that of their fellow citizens at home, and is ſecured in the ſame manner, by an aſſembly of the repreſentatives of the people, who claim the ſole right of impoſing taxes for the ſupport of the colony government. The authority of this aſſembly over-awes the executive power, and neither the meaneſt nor the moſt obnoxious coloniſt, as long as he obeys the law, has any thing to fear from the reſentment either of the governour or of any other civil or military officer in the province. The colony aſſemblies, though, like the houſe of commons in England, they are not always a very equal repreſentation of the people, yet as the executive power either has not the means to corrupt them, or, on account of the ſupport which it receives from the mother country, is not under the neceſſity of doing ſo, they are perhaps in general more influenced by the inclinations of their conſtituents. The councils, which, in the colony legiſlatures, correſpond to the Houſe of Lords in Great Britain, are not compoſed of an hereditary nobility. In ſome of the colonies, as in three of the governments of New England, thoſe councils are not appointed by the king, but choſen by the repreſentatives of the people. In none of the Engliſh colonies is there any hereditary nobility. In all of them, indeed, as in all other free countries, the deſcendant of an old colony family is more reſpected than an upſtart

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of equal merit and fortune: but he is only more reſpected, and he has no privileges by which he can be troubleſome to his neighbours. Before the commencement of the preſent diſturbances, the colony aſſemblies had not only the legiſlative, but a part of the executive power. In Connecticut and Rhode iſland, they elected the governor. In the other colonies they appointed the revenue officers who collected the taxes impoſed by thoſe reſpective aſſemblies, to whom thoſe officers were immediately reſponſible. There is more equality, therefore, among the Engliſh coloniſts than among the inhabitants of the mother country. Their manners are more republican, and their governments, thoſe of three of the provinces of New England in particular, have hitherto been more republican too.

The abſolute governments of Spain, Portugal, and France, on the contrary, take place in their colonies; and the diſcretionary powers which ſuch governments commonly delegate to all their inferior officers are, on account of the great diſtance, naturally exerciſed there with more than ordinary violence. Under all abſolute governments there is more liberty in the capital than in any other part of the country. The ſovereign himſelf can never have either intereſt or inclination to pervert the order of juſtice, or to oppreſs the great body of the people. In the capital his preſence over-awes more or leſs all his inferior officers, who in the remoter provinces, from whence the complaints of the people are leſs likely to reach him, can exerciſe their tyranny with much more ſafety. But the European colonies in America are more remote than the moſt diſtant provinces of the greateſt empires which had ever been known before. The government of the Engliſh colonies is perhaps the only one which, ſince the world began, could give perfect ſecurity to the inhabitants of ſo very diſtant a province. The adminiſtration of the French colonies, however, has always been conducted with more gentleneſs and moderation than that of the Spaniſh and Portugueze. This ſuperiority of conduct

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is ſuitable both to the character of the French nation, and to what forms the character of every nation, the nature of their government, which though arbitrary and violent in compariſon with that of Great Britain, is legal and free in compariſon with thoſe of Spain and Portugal.

It is in the progreſs of the North American colonies, however, that the ſuperiority of the Engliſh policy chiefly appears. The progreſs of the ſugar colonies of France has been at leaſt equal, perhaps ſuperior, to that of the greater part of thoſe of England; and yet the ſugar colonies of England enjoy a free government nearly of the ſame kind with that which takes place in her colonies of North America. But the ſugar colonies of France are not diſcouraged, like thoſe of England, from refining their own ſugar; and, what is of ſtill greater importance, the genius of their government naturally introduces a better management of their negro ſlaves.

In all European colonies the culture of the ſugar cane is carried on by negro ſlaves. The conſtitution of thoſe who have been born in the temperate climate of Europe could not, it is ſuppoſed, ſupport the labour of digging the ground under the burning ſun of the Weſt Indies; and the culture of the ſugar cane, as it is managed at preſent, is all hand labour, though, in the opinion of many, the drill plough might be introduced into it with great advantage. But, as the profit and ſucceſs of the cultivation which is carried on by means of cattle, depend very much upon the good management of thoſe cattle; ſo the profit and ſucceſs of that which is carried on by ſlaves, muſt depend equally upon the good management of thoſe ſlaves; and in the good management of their ſlaves the French planters, I think it is generally allowed, are ſuperior to the Engliſh. The law, ſo far as it gives

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ſome weak protection to the ſlave againſt the violence of his maſter, is likely to be better executed in a colony where the government is in a great meaſure arbitrary, than in one where it is altogether free. In every country where the unfortunate law of ſlavery is eſtabliſhed, the magiſtrate, when he protects the ſlave, intermeddles in ſome meaſure in the management of the private property of the maſter; and, in a free country, where the maſter is perhaps either a member of the colony aſſembly, or an elector of ſuch a member, he dare not do this but with the greateſt caution and circumſpection. The reſpect which he is obliged to pay to the maſter, renders it more difficult for him to protect the ſlave. But in a country where the government is in a great meaſure arbitrary, where it is uſual for the magiſtrate to intermeddle even in the management of the private property of individuals, and to ſend them, perhaps, a lettre de cachet if they do not manage it according to his liking, it is much eaſier for him to give ſome protection to the ſlave; and common humanity naturally diſpoſes him to do ſo. The protection of the magiſtrate renders the ſlave leſs contemptible in the eyes of his maſter, who is thereby induced to conſider him with more regard, and to treat him with more gentleneſs. Gentle uſage renders the ſlave not only more faithful, but more intelligent, and therefore, upon a double account, more uſeful. He approaches more to the condition of a free ſervant, and may poſſeſs ſome degree of integrity and attachment to his maſter's intereſt, virtues which frequently belong to free ſervants, but which never can belong to a ſlave, who is treated as ſlaves commonly are in countries where the maſter is perfectly free and ſecure.

THAT the condition of a ſlave is better under an arbitrary than under a free government, is, I believe, ſupported by the hiſtory of all ages and nations. In the Roman hiſtory, the firſt time we read of the magiſtrate interpoſing to protect the ſlave from the violence of

of his maſter, is under the emperors. When Vedius Pollio, in the preſence of Auguſtus, ordered one of his ſlaves, who had committed a ſlight fault, to be cut into pieces and thrown into his fiſh pond in order to feed his fiſhes, the emperor commanded him, with indignation, to emancipate immediately, not only that ſlave, but all the others that belonged to him. Under the republick no magiſtrate could have had authority enough to protect the ſlave, much leſs to puniſh the maſter.

The ſtock, it is to be obſerved, which has improved the ſugar colonies of France, particularly the great colony of St. Domingo, has been raiſed almoſt entirely from the gradual improvement and cultivation of thoſe colonies. It has been almoſt altogether the produce of the ſoil and induſtry of the coloniſts, or, what comes to the ſame thing, the price of that produce gradually accumulated by good management, and employed in raiſing a ſtill greater produce. But the ſtock which has improved and cultivated the ſugar colonies of England has, a great part of it, been ſent out from England, and has by no means been altogether the produce of the ſoil and induſtry of the coloniſts. The proſperity of the Engliſh ſugar colonies has been, in a great meaſure, owing to the great riches of England, of which a part has overflowed, if one may ſay ſo, upon thoſe colonies. But the proſperity of the ſugar colonies of France has been entirely owing to the good conduct of the coloniſts, which muſt therefore have had ſome ſuperiority over that of the Engliſh; and this ſuperiority has been remarked in nothing ſo much as in the good management of their ſlaves.

Such have been the general outlines of the policy of the different European nations with regard to their colonies.

The policy of Europe, therefore, has very little to boaſt of, either in the original eſtabliſhment, or in the ſubſequent proſperity of the colonies of America.

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Folly and injuſtice ſeem to have been the principles which preſided over and directed the firſt project of eſtabliſhing thoſe colonies; the folly of hunting after gold and ſilver mines, and the injuſtice of coveting the poſſeſſion of a country whoſe harmleſs natives, far from having ever injured the people of Europe, had received the firſt adventurers with every mark of kindneſs and hoſpitality.

The adventurers, indeed, who formed ſome of the later eſtabliſhments, joined, to the chimerical project of finding gold and ſilver mines, other motives more reaſonable and more laudable; but even theſe motives do very little honour to the policy of Europe.

The Engliſh puritans, perſecuted at home, fled for freedom to America, and eſtabliſhed there the four governments of New England. The Engliſh catholicks, treated with equal injuſtice, eſtabliſhed that of Maryland; the Quakers, that of Penſylvania. The Portugueze Jews, perſecuted by the inquiſition, ſtript of their fortunes, and baniſhed to Brazil, introduced, by their example, ſome ſort of order and induſtry among the tranſported felons and ſtrumpets, by whom that colony was originally peopled, and taught them the culture of the ſugar cane. Upon all theſe different occaſions it was, not the wiſdom and policy, but the diſorder and injuſtice of the European governments, which peopled and cultivated America.

In effectuating ſome of the moſt important of theſe eſtabliſhments, the different governments of Europe had as little merit as in projecting them. The conqueſt of Mexico was the project, not of the council of Spain, but of a governor of Cuba; and it was effectuated by the ſpirit of the bold adventurer to whom it was entruſted,

entruſted, in ſpite of every thing which that governor, who ſoon repented of having truſted ſuch a perſon, could do to thwart it. The conquerors of Chili and Peru, and of almoſt all the other Spaniſh ſettlements upon the continent of America, carried out with them no other publick encouragement, but a general permiſſion to make ſettlements and conqueſts in the name of the king of Spain. Thoſe adventures were all at the private riſk and expence of the adventurers. The government of Spain contributed ſcarce any thing to any of them. That of England contributed as little towards effectuating the eſtabliſhment of ſome of its moſt important colonies in North America.

When thoſe eſtabliſhments were effectuated, and had become ſo conſiderable as to attract the attention of the mother country, the firſt regulations which ſhe made with regard to them had always in view to ſecure to herſelf the monopoly of their commerce; to confine their market, and to enlarge her own at their expence, and, conſequently, rather to damp and diſcourage, than to quicken and forward the courſe of their proſperity. In the different ways in which this monopoly has been exerciſed, conſiſts one of the moſt eſſential differences in the policy of the different European nations with regard to their colonies. The beſt of them all, that of England, is only ſomewhat leſs illiberal and oppreſſive than that of any of the reſt.

In what way, therefore, has the policy of Europe contributed either to the firſt eſtabliſhment, or to the preſent grandeur of the colonies of America? In one way, and in one way only, it has contributed a good deal. *Magna virûm Mater!* It bred and formed the men who were capable of atchieving ſuch great actions, and of laying the foundation of ſo great an empire; and there is no other quarter of the world of which the policy is capable of forming,

or has ever actually and in fact formed ſuch men. The colonies owe to the policy of Europe the education and great views of their active and enterprizing founders; and ſome of the greateſt and moſt important of them, owe to it ſcarce any thing elſe.

PART THIRD.

Of the Advantages which Europe has derived from the Diſcovery of America, and from that of a Paſſage to the Eaſt Indies by the Cape of Good Hope.

SUCH are the advantages which the colonies of America have derived from the policy of Europe.

WHAT are thoſe which Europe has derived from the diſcovery and colonization of America?

THOSE advantages may be divided, firſt, into the general advantages which Europe, conſidered as one great country, has derived from thoſe great events; and, ſecondly, into the particular advantages which each colonizing country has derived from the colonies which particularly belong to it, in conſequence of the authority or dominion which it exerciſes over them.

THE general advantages which Europe, conſidered as one great country, has derived from the diſcovery and colonization of America, conſiſt, firſt, in the increaſe of its enjoyments; and, ſecondly, in the augmentation of its induſtry.

THE ſurplus produce of America, imported into Europe, furniſhes the inhabitants of this great continent with a variety of commodities which they could not otherwiſe have poſſeſſed, ſome for conveniency and uſe, ſome for pleaſure, and ſome for ornament, and thereby contributes to increaſe their enjoyments.

THE diſcovery and colonization of America, it will readily be allowed, have contributed to augment the induſtry, firſt, of all the countries which trade to it directly; ſuch as Spain, Portugal, France, and England; and, ſecondly, of all thoſe which, without trading to it directly, ſend, through the medium of other countries, goods to it of their own produce; ſuch as Auſtrian Flanders, and ſome provinces of Germany, which, through the medium of the countries before mentioned, ſend to it a conſiderable quantity of linen and other goods. All ſuch countries have evidently gained a more extenſive market for their ſurplus produce, and muſt conſequently have been encouraged to increaſe its quantity.

BUT, that thoſe great events ſhould likewiſe have contributed to encourage the induſtry of countries, ſuch as Hungary and Poland, which may never, perhaps, have ſent a ſingle commodity of their own produce to America, is not, perhaps, altogether ſo evident. That thoſe events have done ſo, however, cannot be doubted. Some part of the produce of America is conſumed in Hungary and Poland, and there is ſome demand there for the ſugar, chocolate, and tobacco, of that new quarter of the world. But thoſe commodities muſt be purchaſed with ſomething which is either the produce of the induſtry of Hungary and Poland, or with ſomething which had been purchaſed with ſome part of that produce. Thoſe commodities of America are new values, new equivalents, introduced into Hungary and Poland, to be exchanged there for the ſurplus produce of thoſe countries. By being carried thither they create a new and more extenſive market for that ſurplus produce. They raiſe its value, and thereby contribute to encourage its increaſe. Though no part of it may ever be carried to America, it may be carried to other countries which purchaſe it with a part of their ſhare of the ſurplus produce of America; and it may find a market by means of the circulation of that trade which was originally put into motion by the ſurplus produce of America.

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THOSE great events may even have contributed to increaſe the enjoyments, and to augment the induſtry of countries which, not only never ſent any commodities to America, but never received any from it. Even ſuch countries may have received a greater abundance of other commodities from countries of which the ſurplus produce had been augmented by means of the American trade. This greater abundance, as it muſt neceſſarily have increaſed their enjoyments, ſo it muſt likewiſe have augmented their induſtry. A greater number of new equivalents of ſome kind or other muſt have been preſented to them to be exchanged for the ſurplus produce of that induſtry. A more extenſive market muſt have been created for that ſurplus produce, ſo as to raiſe its value, and thereby encourage its increaſe. The maſs of commodities annually thrown into the great circle of European commerce, and by its various revolutions annually diſtributed among all the different nations comprehended within it, muſt have been augmented by the whole ſurplus produce of America. A greater ſhare of this greater maſs, therefore, is likely to have fallen to each of thoſe nations, to have increaſed their enjoyments, and augmented their induſtry.

THE excluſive trade of the mother countries tends to diminiſh, or, at leaſt, to keep down below what they would otherwiſe riſe to, both the enjoyments and induſtry of all thoſe nations in general, and of the American colonies in particular. It is a dead weight upon the action of one of the great ſprings which puts into motion a great part of the buſineſs of mankind. By rendering the colony produce dearer in all other countries it leſſens its conſumption, and thereby cramps the induſtry of the colonies, and both the enjoyments and the induſtry of all other countries, which both enjoy leſs when they pay more for what they enjoy, and produce leſs when they get leſs for what they produce. By rendering the produce of all other countries dearer in the colonies, it cramps,

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in the ſame manner, the induſtry of all other countries, and both the enjoyments and the induſtry of the colonies. It is a clog which, for the ſuppoſed benefit of ſome particular countries, embarraſſes the pleaſures, and encumbers the induſtry of all other countries; but of the colonies more than of any other. It only excludes, as much as poſſible, all other countries from one particular market; but it confines, as much as poſſible, the colonies to one particular market: and the difference is very great between being excluded from one particular market, when all others are open, and being confined to one particular market, when all others are ſhut up. The ſurplus produce of the colonies, however, is the original ſource of all that increaſe of enjoyments and induſtry which Europe derives from the diſcovery and colonization of America; and the excluſive trade of the mother countries tends to render this ſource much leſs abundant than it otherwiſe would be.

THE particular advantages which each colonizing country derives from the colonies which particularly belong to it, are of two different kinds; firſt, thoſe common advantages which every empire derives from the provinces ſubject to its dominion; and, ſecondly, thoſe peculiar advantages which are ſuppoſed to reſult from provinces of ſo very peculiar a nature as the European colonies of America.

THE common advantages which every empire derives from the provinces, ſubject to its dominion, conſiſt, firſt, in the military force which they furniſh for its defence; and, ſecondly, in the revenue which they furniſh for the ſupport of its civil government. The Roman colonies furniſhed occaſionally both the one and the other. The Greek colonies, ſometimes, furniſhed a military force; but ſeldom any revenue. They ſeldom acknowledged themſelves ſubject to the dominion of the mother city. They were generally her allies in war, but very ſeldom her ſubjects in peace.

THE European colonies of America have never yet furniſhed any military force for the defence of the mother country. Their military force has never yet been ſufficient for their own defence; and in the different wars in which the mother countries have been engaged, the defence of their colonies has generally occaſioned a very conſiderable diſtraction of the military force of thoſe countries. In this reſpect, therefore, all the European colonies have, without exception, been a cauſe rather of weakneſs than of ſtrength to their reſpective mother countries.

THE colonies of Spain and Portugal only have contributed any revenue towards the defence of the mother country, or the ſupport of her civil government. The taxes which have been levied upon thoſe of other European nations, upon thoſe of England in particular, have ſeldom been equal to the expence laid out upon them in time of peace, and never ſufficient to defray that which they occaſioned in time of war. Such colonies, therefore, have been a ſource of expence and not of revenue to their reſpective mother countries.

THE advantages of ſuch colonies to their reſpective mother countries, conſiſt altogether in thoſe peculiar advantages which are ſuppoſed to reſult from provinces of ſo very peculiar a nature as the European colonies of America; and the excluſive trade, it is acknowledged, is the ſole ſource of all thoſe peculiar advantages.

IN conſequence of this excluſive trade, all that part of the ſurplus produce of the Engliſh colonies, for example, which conſiſts in what are called enumerated commodities, can be ſent to no other country but England. Other countries muſt afterwards buy it of her. It muſt be cheaper therefore in England than it can be in any other country, and muſt contribute more to increaſe

increaſe the enjoyments of England, than thoſe of any other country. It muſt likewiſe contribute more to encourage her induſtry. For all thoſe parts of her own ſurplus produce which England exchanges for thoſe enumerated commodities, ſhe muſt get a better price than any other country can get for the like parts of theirs when they exchange them for the ſame commodities. The manufactures of England, for example, will purchaſe a greater quantity of the ſugar and tobacco of her own colonies, than the like manufactures of other countries can purchaſe of that ſugar and tobacco. So far, therefore, as the manufactures of England and thoſe of other countries are both to be exchanged for the ſugar and tobacco of the Engliſh colonies, this ſuperiority of price gives an encouragement to the former, beyond what the latter can in theſe circumſtances enjoy. The excluſive trade of the colonies, therefore, as it diminiſhes, or, at leaſt, keeps down below what they would otherwiſe riſe to, both the enjoyments and the induſtry of the countries which do not poſſeſs it; ſo it gives an evident advantage to the countries which do poſſeſs it over thoſe other countries.

This advantage, however, will, perhaps, be found to be rather what may be called a relative than an abſolute advantage; and to give a ſuperiority to the country which enjoys it, rather by depreſſing the induſtry and produce of other countries, than by raiſing thoſe of that particular country above what they would naturally riſe to in the caſe of a free trade.

The tobacco of Maryland and Virginia, for example, by means of the monopoly which England enjoys of it, certainly comes cheaper to England than it can do to France, to whom England commonly ſells a conſiderable part of it. But had France, and all other European countries been, at all times, allowed a free trade

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to Maryland and Virginia, the tobacco of thoſe colonies might, by this time, have come cheaper than it actually does, not only to all thoſe other countries, but likewiſe to England. The produce of tobacco, in conſequence of a market ſo much more extenſive than any which it has hitherto enjoyed, might, and probably would, by this time, have been ſo much increaſed as to reduce the profits of a tobacco plantation to their natural level with thoſe of a corn plantation, which, it is ſuppoſed, they are ſtill ſomewhat above. The price of tobacco might, and probably would, by this time, have fallen ſomewhat lower than it is at preſent. An equal quantity of the commodities either of England, or of thoſe other countries, might have purchaſed in Maryland and Virginia a greater quantity of tobacco than it can do at preſent, and, conſequently, have been ſold there for ſo much a better price. So far as that weed, therefore, can, by its cheapneſs and abundance, increaſe the enjoyments or augment the induſtry either of England or of any other country, it would, probably, in the caſe of a free trade, have produced both theſe effects in ſomewhat a greater degree than it can do at preſent. England, indeed, would not in this caſe have had any advantage over other countries. She might have bought the tobacco of her colonies ſomewhat cheaper, and, conſequently, have ſold ſome of her own commodities ſomewhat dearer than ſhe actually does. But ſhe could neither have bought the one cheaper nor ſold the other dearer than any other country might have done. She might, perhaps, have gained an abſolute, but ſhe would certainly have loſt a relative advantage.

In order, however, to obtain this relative advantage in the colony trade, in order to execute the invidious and malignant project of excluding as much as poſſible other nations from any ſhare in it, England, there are very probable reaſons for believing, has not only ſacrificed a part of the abſolute advantage which ſhe,

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as well as every other nation, might have derived from that trade, but has ſubjected herſelf both to an abſolute and to a relative diſadvantage in almoſt every other branch of trade. CHAP. VII.

When, by the act of navigation, England aſſumed to herſelf the monopoly of the colony trade, the foreign capitals which had before been employed in it were neceſſarily withdrawn from it. The Engliſh capital, which had before carried on but a part of it, was now to carry on the whole. The capital which had before ſupplied the colonies with but a part of the goods which they wanted from Europe, was now all that was employed to ſupply them with the whole. But it could not ſupply them with the whole, and the goods with which it did ſupply them were neceſſarily ſold very dear. The capital which had before bought but a part of the ſurplus produce of the colonies, was now all that was employed to buy the whole. But it could not buy the whole at any thing near the old price, and, therefore, whatever it did buy it neceſſarily bought very cheap. But in an employment of capital in which the merchant ſold very dear and bought very cheap, the profit muſt have been very great, and much above the ordinary level of profit in other branches of trade. This ſuperiority of profit in the colony trade, could not fail to draw from other branches of trade a part of the capital which had before been employed in them. But this revulſion of capital, as it muſt have gradually increaſed the competition of capitals in the colony trade, ſo it muſt have gradually diminiſhed that competition in all thoſe other branches of trade; as it muſt have gradually lowered the profits of the one, ſo it muſt have gradually raiſed thoſe of the other, till the profits of all came to a new level, different from and ſomewhat higher than that at which they had been before.

This double effect, of drawing capital from all other trades, and of raiſing the rate of profit ſomewhat higher than it otherwiſe would

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have been in all trades, was not only produced by this monopoly upon its firſt eſtabliſhment, but has continued to be produced by it ever ſince.

FIRST, this monopoly has been continually drawing capital from all other trades to be employed in that of the colonies.

THOUGH the wealth of Great Britain has increaſed very much ſince the eſtabliſhment of the act of navigation, it certainly has not increaſed in the ſame proportion as that of the colonies. But the foreign trade of every country naturally increaſes in proportion to its wealth, its ſurplus produce in proportion to its whole produce; and Great Britain having engroſſed to herſelf almoſt the whole of what may be called the foreign trade of the colonies, and her capital not having increaſed in the ſame proportion as the extent of that trade, ſhe could not carry it on without continually withdrawing from other branches of trade ſome part of the capital which had before been employed in them, as well as with-holding from them a great deal more which would otherwiſe have gone to them. Since the eſtabliſhment of the act of navigation, accordingly, the colony trade has been continually increaſing, while many other branches of foreign trade, particularly of that to other parts of Europe, have been continually decaying. Our manufactures for foreign ſale, inſtead of being ſuited, as before the act of navigation, to the neighbouring market of Europe, or to the more diſtant one of the countries which lie round the Mediterranean ſea, have, the greater part of them, been accommodated to the ſtill more diſtant one of the colonies, to the market in which they have the monopoly, rather than to that in which they have many competitors. The cauſes of decay in other branches of foreign trade, which, by Sir Matthew Decker and other writers, have been ſought for in the exceſs and improper mode of taxation, in the high price of labour, in the increaſe

increaſe of luxury, &c. may all be found in the over-growth of the colony trade. The mercantile capital of Great Britain, though very great, yet not being infinite; and though greatly increaſed ſince the act of navigation, yet not being increaſed in the ſame proportion as the colony trade, that trade could not poſſibly be carried on without withdrawing ſome part of that capital from other branches of trade, nor conſequently without ſome decay of thoſe other branches.

England, it muſt be obſerved, was a great trading country, her mercantile capital was very great and likely to become ſtill greater and greater every day, not only before the act of navigation had eſtabliſhed the monopoly of the colony trade, but before that trade was very conſiderable. In the Dutch war, during the government of Cromwel, her navy was ſuperior to that of Holland; and in that which broke out in the beginning of the reign of Charles II. it was at leaſt equal, perhaps ſuperior, to the united navies of France and Holland. Its ſuperiority, perhaps, would ſcarce appear greater in the preſent times; at leaſt if the Dutch navy was to bear the ſame proportion to the Dutch commerce now which it did then. But this great naval power could not, in either of thoſe wars, be owing to the act of navigation. During the firſt of them the plan of that act had been but juſt formed; and though before the breaking out of the ſecond it had been fully enacted by legal authority; yet no part of it could have had time to produce any conſiderable effect, and leaſt of all that part which eſtabliſhed the excluſive trade to the colonies. Both the colonies and their trade were inconſiderable then in compariſon of what they are now. The iſland of Jamaica was an unwholeſome deſart, little inhabited and leſs cultivated. New York and New Jerſey were in the poſſeſſion of the Dutch: the half of St. Chriſtopher's in that of the French. The iſland of

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Antigua, the two Carolinas, Penſylvania, Georgia, and Nova Scotia, were not planted. Virginia, Maryland, and New England were planted; and though they were very thriving colonies, yet there was not, perhaps, at that time either in Europe or America a ſingle perſon who foreſaw or even ſuſpected the rapid progreſs which they have ſince made in wealth, population and improvement. The iſland of Barbadoes, in ſhort, was the only Britiſh colony of any conſequence of which the condition at that time bore any reſemblance to what it is at preſent. The trade of the colonies, of which England, even for ſome time after the act of navigation, enjoyed but a part (for the act of navigation was not very ſtrictly executed till ſeveral years after it was enacted) could not at that time be the cauſe of the great trade of England, nor of the great naval power which was ſupported by that trade. The trade which at that time ſupported that great naval power was the trade of Europe, and of the countries which lie round the Mediterranean ſea. But the ſhare which Great Britain at preſent enjoys of that trade could not ſupport any ſuch great naval power. Had the growing trade of the colonies been left free to all nations, whatever ſhare of it might have fallen to Great Britain, and a very conſiderable ſhare would probably have fallen to her, muſt have been all an addition to this great trade of which ſhe was before in poſſeſſion. In conſequence of the monopoly, the increaſe of the colony trade has not ſo much occaſioned an addition to the trade which Great Britain had before, as a total change in its direction.

Secondly, this monopoly has neceſſarily contributed to keep up the rate of profit in all the different branches of Britiſh trade higher than it naturally would have been, had all nations been allowed a free trade to the Britiſh colonies.

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The monopoly of the colony trade, as it neceſſarily drew towards that trade a greater proportion of the capital of Great Britain than what would have gone to it of its own accord; ſo by the expulſion of all foreign capitals it neceſſarily reduced the whole quantity of capital employed in that trade below what it naturally would have been in the caſe of a free trade. But, by leſſening the competition of capitals in that branch of trade, it neceſſarily raiſed the rate of the profit in that branch. By leſſening too the competition of Britiſh capitals in all other branches of trade, it neceſſarily raiſed the rate of Britiſh profit in all thoſe other branches. Whatever may have been, at any particular period, ſince the eſtabliſhment of the act of navigation, the ſtate or extent of the mercantile capital of Great Britain, the monopoly of the colony trade muſt, during the continuance of that ſtate, have raiſed the ordinary rate of Britiſh profit higher than it otherwiſe would have been both in that and in all the other branches of Britiſh trade. If, ſince the eſtabliſhment of the act of navigation, the ordinary rate of Britiſh profit has fallen conſiderably, as it certainly has, it muſt have fallen ſtill lower, had not the monopoly eſtabliſhed by that act contributed to keep it up.

But whatever raiſes in any country the ordinary rate of profit higher than it otherwiſe would be, neceſſarily ſubjects that country both to an abſolute and to a relative diſadvantage in every branch of trade of which ſhe has not the monopoly.

It ſubjects her to an abſolute diſadvantage: becauſe in ſuch branches of trade her merchants cannot get this greater profit, without ſelling dearer than they otherwiſe would do both the goods of foreign countries which they import into their own, and the goods of their own country, which they export to foreign countries. Their own country muſt both buy dearer and ſell dearer; muſt both buy leſs and ſell leſs; muſt both enjoy leſs and produce leſs than ſhe otherwiſe would do.

It ſubjects her to a relative diſadvantage; becauſe in ſuch branches of trade it ſets other countries which are not ſubject to the ſame abſolute diſadvantage either more above her or leſs below her than they otherwiſe would be. It enables them both to enjoy more and to produce more in proportion to what ſhe enjoys and produces. It renders their ſuperiority greater or their inferiority leſs than it otherwiſe would be. By raiſing the price of her produce above what it otherwiſe would be, it enables the merchants of other countries to underſell her in foreign markets, and thereby to juſtle her out of almoſt all thoſe branches of trade, of which ſhe has not the monopoly.

Our merchants frequently complain of the high wages of Britiſh labour as the cauſe of their manufactures being underſold in foreign markets; but they are ſilent about the high profits of ſtock. They complain of the extravagant gain of other people; but they ſay nothing of their own. The high profits of Britiſh ſtock, however, may contribute towards raiſing the price of Britiſh manufactures in many caſes as much, and in ſome perhaps more than the high wages of Britiſh labour.

It is in this manner that the capital of Great Britain, one may juſtly ſay, has partly been drawn and partly been driven from the greater part of the different branches of trade of which ſhe has not the monopoly; from the trade of Europe in particular, and from that of the countries which lie round the Mediterranean ſea.

It has partly been drawn from thoſe branches of trade; by the attraction of ſuperior profit in the colony trade in conſequence of the continual increaſe of that trade, and of the continual inſufficiency of the capital which had carried it on one year to carry it on the next.

It has partly been driven from them; by the advantage which the high rate of profit, eſtabliſhed in Great Britain, gives to other countries, in all the different branches of trade of which Great Britain has not the monopoly.

As the monopoly of the colony trade has drawn from thoſe other branches a part of the Britiſh capital which would otherwiſe have been employed in them, ſo it has forced into them many foreign capitals which would never have gone to them, had they not been expelled from the colony trade. In thoſe other branches of trade it has diminiſhed the competition of Britiſh capitals, and thereby raiſed the rate of Britiſh profit higher than it otherwiſe would have been. On the contrary, it has increaſed the competition of foreign capitals, and thereby ſunk the rate of foreign profit lower than it otherwiſe would have been. Both in the one way and in the other it muſt evidently have ſubjected Great Britain to a relative diſadvantage in all thoſe other branches of trade.

The colony trade, however, it may perhaps be ſaid, is more advantageous to Great Britain than any other; and the monopoly, by forcing into that trade a greater proportion of the capital of Great Britain than what would otherwiſe have gone to it, has turned that capital into an employment more advantageous to the country than any other which it could have found.

The moſt advantageous employment of any capital to the country to which it belongs, is that which maintains there the greateſt quantity of productive labour, and increaſes the moſt the annual produce of the land and labour of that country. But the quantity of productive labour which any capital employed in the foreign trade of conſumption can maintain is exactly in proportion, it has been ſhewn in the ſecond book, to the frequency of its returns. A capital of a thouſand

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pounds, for example, employed in a foreign trade of conſumption, of which the returns are made regularly once in the year, can keep in conſtant employment in the country to which it belongs a quantity of productive labour equal to what a thouſand pounds can maintain there for a year. If the returns are made twice or thrice in the year it can keep in conſtant employment a quantity of productive labour equal to what two or three thouſand pounds can maintain there for a year. A foreign trade of conſumption carried on with a neighbouring country is upon this account in general more advantageous than one carried on with a diſtant country; and for the ſame reaſon a direct foreign trade of conſumption, as it has likewiſe been ſhewn in the ſecond book, is in general more advantageous than a round-about one.

But the monopoly of the colony trade, ſo far as it has operated upon the employment of the capital of Great Britain, has in all caſes forced ſome part of it from a foreign trade of conſumption carried on with a neighbouring country, to one carried on with a more diſtant country, and in many caſes from a direct foreign trade of conſumption to a round-about one.

First, the monopoly of the colony trade has in all caſes forced ſome part of the capital of Great Britain from a foreign trade of conſumption carried on with a neighbouring to one carried on with a more diſtant country.

It has, in all caſes, forced ſome part of that capital from the trade with Europe, and with the countries which lie round the Mediterranean ſea, to that with the more diſtant regions of America and the Weſt Indies, from which the returns are neceſſarily leſs frequent, not only on account of the greater diſtance, but on

account of the peculiar circumſtances of thoſe countries. New colonies, it has already been obſerved, are always underſtocked. Their capital is always much leſs than what they could employ with great profit and advantage in the improvement and cultivation of their land. They have a conſtant demand, therefore, for more capital than they have of their own; and, in order to ſupply the deficiency of their own, they endeavour to borrow as much as they can of the mother country, to whom they are, therefore, always in debt. The moſt common way in which the coloniſts contract this debt, is not by borrowing upon bond of the rich people of the mother country, though they ſometimes do this too, but by running as much in arrear to their correſpondents, who ſupply them with goods from Europe, as thoſe correſpondents will allow them. Their annual returns frequently do not amount to more than a third, and ſometimes not to ſo great a proportion of what they owe. The whole capital, therefore, which their correſpondents advance to them is ſeldom returned to Britain in leſs than three, and ſometimes not in leſs than four or five years. But a Britiſh capital of a thouſand pounds, for example, which is returned to Great Britain only once in five years, can keep in conſtant employment only one-fifth part of the Britiſh induſtry which it could maintain if the whole was returned once in the year; and, inſtead of the quantity of induſtry which a thouſand pounds could maintain for a year, can keep in conſtant employment the quantity only which two hundred pounds can maintain for a year. The planter, no doubt, by the high price which he pays for the goods from Europe, by the intereſt upon the bills which he grants at diſtant dates, and by the commiſſion upon the renewal of thoſe which he grants at near dates, makes up, and probably more than makes up, all the loſs which his correſpondent can ſuſtain by this delay. But, though he may make up the loſs of his correſpondent, he cannot make up that of Great Britain. In a trade of which the returns

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are very diſtant, the profit of the merchant may be as great or greater than in one in which they are very frequent and near; but the advantage of the country in which he reſides, the quantity of productive labour conſtantly maintained there, the annual produce of the land and labour muſt always be much leſs. That the returns of the trade to America, and ſtill more thoſe of that to the Weſt Indies, are, in general, not only more diſtant, but more irregular, and more uncertain too, than thoſe of the trade to any part of Europe, or even of the countries which lie round the Mediterranean ſea, will readily be allowed, I imagine, by every body who has any experience of thoſe different branches of trade.

SECONDLY, the monopoly of the colony trade has, in many caſes, forced ſome part of the capital of Great Britain from a direct foreign trade of conſumption, into a round-about one.

AMONG the enumerated commodities which can be ſent to no other market but Great Britain, there are ſeveral of which the quantity exceeds very much the conſumption of Great Britain, and of which a part, therefore, muſt be exported to other countries. But this cannot be done without forcing ſome part of the capital of Great Britain into a round-about foreign trade of conſumption. Maryland and Virginia, for example, ſend annually to Great Britain upwards of ninety-ſix thouſand hogſheads of tobacco, and the conſumption of Great Britain is ſaid not to exceed fourteen thouſand. Upwards of eighty-two thouſand hogſheads, therefore, muſt be exported to other countries, to France, to Holland, and to the countries which lie round the Baltick and Mediterranean ſeas. But, that part of the capital of Great Britain which brings thoſe eighty-two thouſand hogſheads to Great Britain, which re-exports them from thence to thoſe other countries, and which brings back from thoſe other countries to Great Britain either goods or money

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in return, is employed in a round-about foreign trade of conſumption; and is neceſſarily forced into this employment in order to diſpoſe of this great ſurplus. If we would compute in how many years the whole of this capital is likely to come back to Great Britain, we muſt add to the diſtance of the American returns that of the returns from thoſe other countries. If, in the direct foreign trade of conſumption which we carry on with America, the whole capital employed frequently does not come back in leſs than three or four years; the whole capital employed in this round-about one is not likely to come back in leſs than four or five. If the one can keep in conſtant employment but a third or a fourth part of the domeſtick induſtry which could be maintained by a capital returned once in the year, the other can keep in conſtant employment but a fourth or a fifth part of that induſtry. But, had not the colonies been confined to the market of Great Britain for the ſale of their tobacco, very little more of it would probably have come to us than what was neceſſary for the home conſumption. The goods which Great Britain purchaſes at preſent for her own conſumption with the great ſurplus of tobacco which ſhe exports to other countries, ſhe would, in this caſe, probably have purchaſed with the immediate produce of her own induſtry, or with ſome part of her own manufactures. That produce, thoſe manufactures, inſtead of being almoſt entirely ſuited to one great market, as at preſent, would probably have been fitted to a great number of ſmaller markets. Inſtead of one great round-about foreign trade of conſumption, Great Britain would probably have carried on a great number of ſmall direct foreign trades of the ſame kind. On account of the frequency of the returns, a part, and, probably, but a ſmall part; perhaps not above a third or a fourth, of the capital which at preſent carries on this great round-about trade, might have been ſufficient to carry on all thoſe ſmall direct ones, might have kept in conſtant employment an equal quantity of Britiſh induſtry, and

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have equally ſupported the annual produce of the land and labour of Great Britain. All the purpoſes of this trade being, in this manner, anſwered by a much ſmaller capital, there would have been a large ſpare capital to apply to other purpoſes; to improve the lands, to increaſe the manufactures, and to extend the commerce of Great Britain; to come into competition at leaſt with the other Britiſh capitals employed in all thoſe different ways, to reduce the rate of profit in them all, and thereby to give to Great Britain, in all of them, a ſuperiority over other countries ſtill greater than what ſhe at preſent poſſeſſes.

The monopoly of the colony trade too has forced ſome part of the capital of Great Britain from all foreign trade of conſumption to a carrying trade; and, conſequently, from ſupporting more or leſs the induſtry of Great Britain, to be employed altogether in ſupporting partly that of the colonies, and partly that of ſome other countries.

The goods, for example, which are annually purchaſed with the great ſurplus of eighty-two thouſand hogſheads of tobacco annually re-exported from Great Britain, are not all conſumed in Great Britain. Part of them, linen from Germany and Holland, for example, is returned to the colonies for their particular conſumption. But, that part of the capital of Great Britain which buys the tobacco with which this linen is afterwards bought, is neceſſarily withdrawn from ſupporting the induſtry of Great Britain, to be employed altogether in ſupporting partly that of the colonies, and partly that of the particular countries who pay for this tobacco with the produce of their own induſtry.

The monopoly of the colony trade beſides, by forcing towards it a much greater proportion of the capital of Great Britain than what

what would naturally have gone to it, ſeems to have broken altogether that natural balance which would otherwiſe have taken place among all the different branches of Britiſh induſtry. The induſtry of Great Britain, inſtead of being accommodated to a great number of ſmall markets, has been principally ſuited to one great market. Her commerce, inſtead of running in a great number of ſmall channels, has been taught to run principally in one great channel. But the whole ſyſtem of her induſtry and commerce has thereby been rendered leſs ſecure; the whole ſtate of her body politick leſs healthful than it otherwiſe would have been. In her preſent condition, Great Britain reſembles one of thoſe unwholſome bodies in which ſome of the vital parts are overgrown, and which, upon that account, are liable to many dangerous diſorders ſcarce incident to thoſe in which all the parts are more properly proportioned. A ſmall ſtop in that great blood veſſel, which has been artificially ſwelled beyond its natural dimenſions, and through which an unnatural proportion of the induſtry and commerce of the country has been forced to circulate, is very likely to bring on the moſt dangerous diſorders upon the whole body politick. The expectation of a rupture with the colonies, accordingly, has ſtruck the people of Great Britain with more terror than they ever felt for a Spaniſh armada or a French invaſion. It was this terror, whether well or ill grounded, which rendered the repeal of the ſtamp act a popular meaſure, among the merchants at leaſt. In the total excluſion from the colony market, was it to laſt only for a few years, the greater part of our merchants uſed to fancy that they foreſaw an entire ſtop to their trade; the greater part of our maſter manufacturers, the entire ruin of their buſineſs; and the greater part of our workmen an end of their employment. A rupture with any of our neighbours upon the continent, though likely too to occaſion ſome ſtop or interruption in the employments of ſome of all theſe different orders of people, is foreſeen, however, without

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any ſuch general emotion. The blood, of which the circulation is ſtopt in ſome of the ſmaller veſſels, eaſily diſgorges itſelf into the greater, without occaſioning any dangerous diſorder; but, when it is ſtopt in any of the greater veſſels, convulſions, apoplexy, or death, are the immediate and unavoidable conſequences. If but one of thoſe overgrown manufactures, which, by means either of bounties, or of the monopoly of the home and colony markets, have been artificially raiſed up to an unnatural height, finds ſome ſmall ſtop or interruption in its employment, it frequently occaſions a mutiny and diſorder alarming to government, and embarraſſing even to the deliberations of the legiſlature. How great, therefore, would be the diſorder and confuſion, it was thought, which muſt neceſſarily be occaſioned by a ſudden and entire ſtop in the employment of ſo great a proportion of our principal manufacturers?

Some moderate and gradual relaxation of the laws which give to Great Britain the excluſive trade to the colonies, till it is rendered in a great meaſure free, ſeems to be the only expedient which can deliver her from this danger, which can enable her or even force her to withdraw ſome part of her capital from this overgrown employment, and to turn it, though with leſs profit, towards other employments; and which, by gradually diminiſhing one branch of her induſtry and gradually increaſing all the reſt, can by degrees reſtore all the different branches of it to that natural, healthful and proper proportion which perfect liberty neceſſarily eſtabliſhes, and which perfect liberty can alone preſerve. To open the colony trade all at once to all nations, might not only occaſion ſome tranſitory inconveniency, but a great permanent loſs to the greater part of thoſe whoſe induſtry or capital is at preſent engaged in it. The ſudden loſs of the employment even of the ſhips which import the eighty-two thouſand hogſheads of tobacco, which are over and above

above the conſumption of Great Britain, might alone be felt very ſenſibly. Such are the unfortunate effects of all the regulations of the mercantile ſyſtem! They not only introduce very dangerous diſorders into the ſtate of the body politic, but diſorders which it is often difficult to remedy, without occaſioning for a time, at leaſt, ſtill greater diſorders. In what manner, therefore, the colony trade ought gradually to be opened; what are the reſtraints which ought firſt, and what are thoſe which ought laſt to be taken away; or in what manner the natural ſyſtem of perfect liberty and juſtice ought gradually to be reſtored, we muſt leave to the wiſdom of future ſtateſmen and legiſlators to determine.

Five different events, unforeſeen and unthought of, have very fortunately concurred to hinder Great Britain from feeling, ſo ſenſibly as it was generally expected ſhe would, the total excluſion which has now taken place for more than a year (from the firſt of December, 1774) from a very important branch of the colony trade, that of the twelve aſſociated provinces of North America. Firſt, thoſe colonies in preparing themſelves for their non-importation agreement, drained Great Britain compleatly of all the commodities which were fit for their market: ſecondly, the extraordinary demand of the Spaniſh Flota has, this year, drained Germany and the north of many commodities, linen in particular, which uſed to come into competition, even in the Britiſh market, with the manufactures of Great Britain: thirdly, the peace between Ruſſia and Turkey has occaſioned an extraordinary demand from the Turkey market, which, during the diſtreſs of the country, and while a Ruſſian fleet was cruizing in the Archipelago, had been very poorly ſupplied: fourthly, the demand of the north of Europe for the manufactures of Great Britain, has been increaſing from year to year for ſome time paſt: and, fifthly, the late partition and conſequential pacification of Poland, by opening the mar-

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ket of that great country, have this year added an extraordinary demand from thence to the increaſing demand of the north. Theſe events are all, except the fourth, in their nature tranſitory and accidental, and the excluſion from ſo important a branch of the colony trade, if unfortunately it ſhould continue much longer, may ſtill occaſion ſome degree of diſtreſs. This diſtreſs, however, as it will come on gradually, will be felt much leſs ſeverely than if it had come on all at once; and, in the mean time, the induſtry and capital of the country may find a new employment and direction, ſo as to prevent it from ever riſing to any conſiderable height.

THE monopoly of the colony trade, therefore, ſo far as it has turned towards that trade a greater proportion of the capital of Great Britain than what would otherwiſe have gone to it, has in all caſes turned it, from a foreign trade of conſumption with a neighbouring, into one with a more diſtant country; in many caſes, from a direct foreign trade of conſumption, into a round-about one; and in ſome caſes, from all foreign trade of conſumption, into a carrying trade. It has in all caſes, therefore, turned it, from a direction in which it would have maintained a greater quantity of productive labour, into one, in which it can maintain a much ſmaller quantity. By ſuiting, beſides, to one particular market only ſo great a part of the induſtry and commerce of Great Britain, it has rendered the whole ſtate of that induſtry and commerce more precarious and leſs ſecure, than if their produce had been accommodated to a greater variety of markets.

WE muſt carefully diſtinguiſh between the effects of the colony trade and thoſe of the monopoly of that trade. The former are always and neceſſarily beneficial; the latter always and neceſſarily hurtful. But the former are ſo beneficial, that the colony trade, though ſubject to a monopoly, and notwithſtanding the hurtful effects of that

monopoly, is ſtill upon the whole beneficial, and greatly beneficial; though a good deal leſs ſo than it otherwiſe would be.

The effect of the colony trade in its natural and free ſtate, is to open a great, though diſtant market for ſuch parts of the produce of Britiſh induſtry as may exceed the demand of the markets nearer home, of thoſe of Europe and of the countries which lie round the Mediterranean ſea. In its natural and free ſtate the colony trade, without drawing from thoſe markets any part of the produce which had ever been ſent to them, encourages Great Britain to increaſe the ſurplus continually, by continually preſenting new equivalents to be exchanged for it. In its natural and free ſtate, the colony trade tends to increaſe the quantity of productive labour in Great Britain, but without altering in any reſpect the direction of that which had been employed there before. In the natural and free ſtate of the colony trade, the competition of all other nations would hinder the rate of profit from riſing above the common level either in the new market, or in the new employment. The new market, without drawing any thing from the old one, would create, if one may ſay ſo, a new produce for its own ſupply; and that new produce would conſtitute a new capital for carrying on the new employment which in the ſame manner would draw nothing from the old one.

The monopoly of the colony trade, on the contrary, by excluding the competition of other nations, and thereby raiſing the rate of profit both in the new market and in the new employment, draws produce from the old market and capital from the old employment. To augment our ſhare of the colony trade beyond what it otherwiſe would be, is the avowed purpoſe of the monopoly. If our ſhare of that trade were to be no greater with, than it would have been without the monopoly, there could have been no reaſon for eſtabliſhing the monopoly. But whatever forces into a branch of trade

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trade of which the returns are ſlower and more diſtant than thoſe of the greater part of other trades, a greater proportion of the capital of any country, than what of its own accord would go to that branch, neceſſarily renders the whole quantity of productive labour annually maintained there, the whole annual produce of the land and labour of that country leſs than they otherwiſe would be. It keeps down the revenue of the inhabitants of that country, below what it would naturally riſe to, and thereby diminiſhes their power of accumulation. It not only hinders, at all times, their capital from maintaining ſo great a quantity of productive labour as it would otherwiſe maintain, but it hinders it from increaſing ſo faſt as it would otherwiſe increaſe, and conſequently from maintaining a ſtill greater quantity of productive labour.

The natural good effects of the colony trade, however, more than counter-balance to Great Britain the bad effects of the monopoly, ſo that, monopoly and all together, that trade, even as it is carried on at preſent, is not only advantageous, but greatly advantageous. The new market and new employment which are opened by the colony trade, are of much greater extent than that portion of the old market and of the old employment which is loſt by the monopoly. The new produce and the new capital which has been created, if one may ſay ſo, by the colony trade, maintain in Great Britain a greater quantity of productive labour, than what can have been thrown out of employment by the revulſion of capital from other trades of which the returns are more frequent. If the colony trade, however, even as it is carried on at preſent is advantageous to Great Britain, it is not by means of the monopoly, but in ſpite of the monopoly.

It is rather for the manufactured than for the rude produce of Europe, that the colony trade opens a new market. Agricul-

ture is the proper buſineſs of all new colonies; a buſineſs which the cheapneſs of land renders more advantageous than any other. They abound, therefore, in the rude produce of land, and inſtead of importing it from other countries, they have generally a large ſurplus to export. In new colonies, agriculture, either draws hands from all other employments, or keeps them from going to any other employment. There are few hands to ſpare for the neceſſary, and none for the ornamental manufactures. The greater part of the manufactures of both kinds, they find it cheaper to purchaſe of other countries than to make for themſelves. It is chiefly by encouraging the manufactures of Europe, that the colony trade indirectly encourages its agriculture. The manufacturers of Europe to whom that trade gives employment conſtitute a new market for the produce of the land; and the moſt advantageous of all markets, the home market, for the corn and cattle, for the bread and butcher's-meat of Europe, is thus greatly extended by means of the trade to America.

But that the monopoly of the trade of populous and thriving colonies is not alone ſufficient to eſtabliſh, or even to maintain manufactures in any country, the examples of Spain and Portugal ſufficiently demonſtrate. Spain and Portugal were manufacturing countries before they had any conſiderable colonies. Since they had the richeſt and moſt fertile in the world they have both ceaſed to be ſo.

In Spain and Portugal, the bad effects of the monopoly, aggravated by other cauſes, have entirely conquered the natural good effects of the colony trade. Theſe cauſes ſeem to be, other monopolies of different kinds; the degradation of the value of gold and ſilver below what it is in moſt other countries; the excluſion from foreign markets by improper taxes upon exportation, and the narrowing

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narrowing of the home market, by ſtill more improper taxes upon the tranſportation of goods from one part of the country to another; but above all, that irregular and partial adminiſtration of juſtice, which often protects the rich and powerful debtor from the purſuit of his injured creditor, and which makes the induſtrious part of the nation afraid to prepare goods for the conſumption of thoſe haughty and great men, to whom they dare not refuſe to ſell upon credit, and from whom they are altogether uncertain of re-payment.

In England, on the contrary, the natural good effects of the colony trade, aſſiſted by other cauſes, have in a great meaſure conquered the bad effects of the monopoly. Theſe cauſes ſeem to be, the general liberty of trade, which, notwithſtanding ſome reſtraints is at leaſt equal, perhaps ſuperior, to what it is in any other country; the liberty of exporting, duty free, almoſt all ſorts of goods which are the produce of domeſtick induſtry, to almoſt any foreign country, and what, perhaps, is of ſtill greater importance, the unbounded liberty of tranſporting them from any one part of our own country to any other, without being obliged to give any account to any publick office, without being liable to queſtion or examination of any kind; but above all, that equal and impartial adminiſtration of juſtice which renders the rights of the meaneſt Britiſh ſubject reſpectable to the greateſt, and which, by ſecuring to every man the fruits of his own induſtry, gives the greateſt and moſt effectual encouragement to every ſort of induſtry.

If the manufactures of Great Britain, however, have been advanced, as they certainly have, by the colony trade, it has not been by means of the monopoly of that trade, but in ſpite of the monopoly. The effect of the monopoly has been, not to augment the quantity, but to alter the quality and ſhape of a part of the manufactures of Great Britain, and to accommodate to a market,

market, from which the returns are ſlow and diſtant, what would otherwiſe have been accommodated to one from which the returns are frequent and near. Its effect has conſequently been to turn a part of the capital of Great Britain from an employment in which it would have maintained a greater quantity of manufacturing induſtry, to one in which it maintains a much ſmaller, and thereby to diminiſh, inſtead of increaſing, the whole quantity of manufacturing induſtry maintained in Great Britain.

The monopoly of the colony trade, therefore, like all the other mean and malignant expedients of the mercantile ſyſtem, depreſſes the induſtry of all other countries, but chiefly that of the colonies, without in the leaſt increaſing, but on the contrary diminiſhing that of the country in whoſe favour it is eſtabliſhed.

The monopoly hinders the capital of that country, whatever may at any particular time be the extent of that capital, from maintaining ſo great a quantity of productive labour as it would otherwiſe maintain, and from affording ſo great a revenue to the induſtrious inhabitants as it would otherwiſe afford. But as capital can be increaſed only by ſavings from revenue, the monopoly, by hindering it from affording ſo great a revenue as it would otherwiſe afford, neceſſarily hinders it from increaſing ſo faſt as it would otherwiſe increaſe, and conſequently from maintaining a ſtill greater quantity of productive labour, and affording a ſtill greater revenue to the induſtrious inhabitants of that country. One great original ſource of revenue, therefore, the wages of labour, the monopoly muſt neceſſarily have rendered at all times leſs abundant than it otherwiſe would have been.

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By raiſing the rate of mercantile profit, the monopoly diſcourages the improvement of land. The profit of improvement depends upon the difference between what the land actually produces and what, by the application of a certain capital, it can be made to produce. If this difference affords a greater profit than what can be drawn from an equal capital in any mercantile employment, the improvement of land will draw capital from all mercantile employments. If the profit is leſs, mercantile employments will draw capital from the improvement of land. Whatever therefore raiſes the rate of mercantile profit, either leſſens the ſuperiority or increaſes the inferiority of the profit of improvement; and in the one caſe hinders capital from going to improvement, and in the other draws capital from it. But by diſcouraging improvement, the monopoly neceſſarily retards the natural increaſe of another great original ſource of revenue, the rent of land. By raiſing the rate of profit too the monopoly neceſſarily keeps up the market rate of intereſt higher than it otherwiſe would be. But the price of land in proportion to the rent which it affords, the number of years purchaſe which is commonly paid for it, neceſſarily falls as the rate of intereſt riſes, and riſes as the rate of intereſt falls. The monopoly therefore hurts the intereſt of the landlord two different ways, by retarding the natural increaſe, firſt, of his rent, and ſecondly, of the price which he would get for his land in proportion to the rent which it affords.

The monopoly, indeed, raiſes the rate of mercantile profit, and thereby augments ſomewhat the gain of our merchants. But as it obſtructs the natural increaſe of capital, it tends rather to diminiſh than to increaſe the ſum total of the revenue which the inhabitants of the country derive from the profits of ſtock; a ſmall profit upon a great capital generally affording a greater revenue than a great profit upon a ſmall one. The monopoly raiſes

raiſes the rate of profit, but it hinders the ſum of profit from riſing ſo high as it otherwiſe would do.

All the original ſources of revenue, the wages of labour, the rent of land, and the profits of ſtock, the monopoly renders much leſs abundant than they otherwiſe would be. To promote the little intereſt of one little order of men in one country, it hurts the intereſt of all other orders of men in that country, and of all men in all other countries.

It is ſolely by raiſing the ordinary rate of profit that the monopoly either has proved or could prove advantageous to any one particular order of men. But beſides all the bad effects to the country in general which have already been mentioned as neceſſarily reſulting from a high rate of profit; there is one more fatal, perhaps, than all theſe put together, but which, if we may judge from experience, is inſeparably connected with it. The high rate of profit ſeems every where to deſtroy that parſimony which in other circumſtances is natural to the character of the merchant. When profits are high, that ſober virtue ſeems to be ſuperfluous, and expenſive luxury to ſuit better the affluence of his ſituation. But the owners of the great mercantile capitals are neceſſarily the leaders and conductors of the whole induſtry of every nation, and their example has a much greater influence upon the manners of the whole induſtrious part of it than that of any other order of men. If his employer is attentive and parſimonious, the workman is very likely to be ſo too; but if the maſter is diſſolute and diſorderly, the ſervant who ſhapes his work according to the pattern which his maſter preſcribes to him, will ſhape his life too according to the example which he ſets him. Accumulation is thus prevented in the hands of all thoſe who are naturally the moſt diſpoſed to accumulate; and the funds

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deſtined for the maintenance of productive labour receive no augmentation from the revenue of thoſe who ought naturally to augment them the moſt. The capital of the country, inſtead of increaſing, gradually dwindles away, and the quantity of productive labour maintained in it grows every day leſs and leſs. Have the exorbitant profits of the merchants of Cadiz and Liſbon augmented the capital of Spain and Portugal? Have they alleviated the poverty, have they promoted the induſtry of thoſe two beggarly countries? Such has been the tone of mercantile expence in thoſe two trading cities, that thoſe exorbitant profits, far from augmenting the general capital of the country, ſeem ſcarce to have been ſufficient to keep up the capitals upon which they were made. Foreign capitals are every day intruding themſelves, if I may ſay ſo, more and more into the trade of Cadiz and Liſbon. It is to expel thoſe foreign capitals from a trade which their own capital grows every day more and more inſufficient for carrying on, that the Spaniards and Portugueze endeavour every day to ſtraiten more and more the galling bands of their abſurd monopoly. Compare the mercantile manners of Cadiz and Liſbon with thoſe of Amſterdam, and you will be ſenſible how differently the conduct and character of merchants are affected by the high and by the low profits of ſtock. The merchants of London indeed have not yet generally become ſuch magnificent lords as thoſe of Cadiz and Liſbon; but neither are they in general ſuch attentive and parſimonious burghers as thoſe of Amſterdam. They are ſuppoſed, however, many of them, to be a good deal richer than the greater part of the former, and not quite ſo rich as many of the latter. But the rate of their profit is commonly much lower than that of the former, and a good deal higher than that of the latter. Light come light go, ſays the proverb; and the ordinary tone of expence ſeems every where to be regulated, not ſo much according to the real ability of ſpending, as to the ſuppoſed facility of getting money to ſpend.

It is thus that the ſingle advantage which the monopoly procures to a ſingle order of men is in many different ways hurtful to the general intereſt of the country.

To found a great empire for the ſole purpoſe of raiſing up a people of cuſtomers, may at firſt ſight appear a project fit only for a nation of ſhopkeepers. It is, however, a project altogether unfit for a nation of ſhopkeepers; but extremely fit for a nation that is governed by ſhopkeepers. Such ſovereigns, and ſuch ſovereigns only, are capable of fancying that they will find ſome advantage in employing the blood and treaſure of their ſubjects, to found and to maintain ſuch an empire. Say to a ſhopkeeper, Buy me a good eſtate, and I ſhall always buy my cloaths at your ſhop, even though I ſhould pay ſomewhat dearer than what I can have them for at other ſhops; and you will not find him very forward to embrace your propoſal. But ſhould any other perſon buy you ſuch an eſtate, the ſhopkeeper would be much obliged to your benefactor if he would enjoin you to buy all your cloaths at his ſhop. England purchaſed for ſome of her ſubjects, who found themſelves uneaſy at home, a great eſtate in a diſtant country. The price indeed was very ſmall, and inſtead of thirty years purchaſe, the ordinary price of land in the preſent times, it amounted to little more than the expence of the different equipments which made the firſt diſcovery, reconnoitered the coaſt, and took a fictitious poſſeſſion of the country. The land was good and of great extent, and the cultivators having plenty of good ground to work upon, and being for ſome time at liberty to ſell their produce where they pleaſed, became in the courſe of little more than thirty or forty years (between 1620 and 1660) ſo numerous and thriving a people, that the ſhopkeepers and other traders of England wiſhed to ſecure to themſelves the monopoly of their cuſtom. Without pretending, therefore, that they had paid any part, either of the original purchaſe money, or of the ſubſequent

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ſubſequent expence of improvement, they petitioned the parliament that the cultivators of America might for the future be confined to their ſhop; firſt, for buying all the goods which they wanted from Europe; and, ſecondly, for ſelling all ſuch parts of their own produce as thoſe traders might find it convenient to buy. For they did not find it convenient to buy every part of it. Some parts of it imported into England might have interfered with ſome of the trades which they themſelves carried on at home. Thoſe particular parts of it, therefore, they were willing that the coloniſts ſhould ſell where they could; the farther off the better; and upon that account propoſed that their market ſhould be confined to the countries ſouth of Cape Finiſterre. A clauſe in the famous act of navigation eſtabliſhed this truly ſhopkeeper propoſal into a law.

The maintenance of this monopoly has hitherto been the principal, or more properly perhaps the ſole end and purpoſe of the dominion which Great Britain aſſumes over her colonies. In the excluſive trade, it is ſuppoſed, conſiſts the great advantage of provinces, which have never yet afforded either revenue or military force for the ſupport of the civil government, or the defence of the mother country. The monopoly is the principal badge of their dependency, and it is the ſole fruit which has hitherto been gathered from that dependency. Whatever expence Great Britain has hitherto laid out in maintaining this dependency, has really been laid out in order to ſupport this monopoly. The expence of the ordinary peace eſtabliſhment of the colonies amounted, before the commencement of the preſent diſturbances, to the pay of twenty regiments of foot; to the expence of the artillery, ſtores, and extraordinary proviſions with which it is neceſſary to ſupply them; and to the expence of a very conſiderable naval force which is conſtantly kept up in order to guard, from the ſmuggling veſſels of

other nations, the immenſe coaſt of North America, and that of our Weſt Indian iſlands. The whole expence of this peace eſtabliſhment was a charge upon the revenue of Great Britain, and was, at the ſame time, the ſmalleſt part of what the dominion of the colonies has coſt the mother country. If we would know the amount of the whole, we muſt add to the annual expence of this peace eſtabliſhment the intereſt of the ſums which, in conſequence of her conſidering her colonies as provinces ſubject to her dominion, Great Britain has upon different occaſions laid out upon their defence. We muſt add to it, in particular, the whole expence of the late war, and a great part of that which preceeded it. The late war was altogether a colony quarrel, and the whole expence of it, in whatever part of the world it may have been laid out, whether in Germany or in the Eaſt Indies, ought juſtly to be ſtated to the account of the colonies. It amounted to more than ninety millions ſterling, including not only the new debt which was contracted, but the two ſhillings in the pound additional land tax, and the ſums which were every year borrowed from the ſinking fund. The Spaniſh war which began in 1739, was principally a colony quarrel. Its principal object was to prevent the ſearch of the colony ſhips which carried on a contraband trade with the Spaniſh main. This whole expence is, in reality, a bounty which has been given in order to ſupport a monopoly. The pretended purpoſe of it was to encourage the manufactures, and to encreaſe the commerce of Great Britain. But its real effect has been to raiſe the rate of mercantile profit, and to enable our merchants to turn into a branch of trade, of which the returns are more ſlow and diſtant than thoſe of the greater part of other trades, a greater proportion of their capital than they otherwiſe would have done; two events which, if a bounty could have prevented, it might perhaps have been very well worth while to give ſuch a bounty.

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UNDER the preſent ſyſtem of management, therefore, Great Britain derives nothing but loſs from the dominion which ſhe aſſumes over her colonies.

To propoſe that Great Britain ſhould voluntarily give up all authority over her colonies, and leave them to elect their own magiſtrates, to enact their own laws, and to make peace and war as they might think proper, would be to propoſe ſuch a meaſure as never was, and never will be adopted, by any nation in the world. No nation ever voluntarily gave up the dominion of any province, how troubleſome ſoever it might be to govern it, and how ſmall ſoever the revenue which it afforded might be in proportion to the expence which it occaſioned. Such ſacrifices, though they might frequently be agreeable to the intereſt, are always mortifying to the pride of every nation, and what is perhaps of ſtill greater conſequence, they are always contrary to the private intereſt of the governing part of it, who would thereby be deprived of the diſpoſal of many places of truſt and profit, of many opportunities of acquiring wealth and diſtinction, which the poſſeſſion of the moſt turbulent, and, to the great body of the people, the moſt unprofitable province ſeldom fails to afford. The moſt viſionary enthuſiaſt would ſcarce be capable of propoſing ſuch a meaſure, with any ſerious hopes at leaſt of its ever being adopted. If it was adopted, however, Great Britain would not only be immediately freed from the whole annual expence of the peace eſtabliſhment of the colonies, but might ſettle with them ſuch a treaty of commerce as would effectually ſecure to her a free trade, more advantageous to the great body of the people, though leſs ſo to the merchants, than the monopoly which ſhe at preſent enjoys. By thus parting good friends, the natural affection of the colonies to the mother country, which, perhaps, our late diſſenſions have well nigh extinguiſhed, would quickly revive. It might diſpoſe them not only to reſpect,

for whole centuries together, that treaty of commerce which they had concluded with us at parting, but to favour us in war as well as in trade, and, inſtead of turbulent and factious ſubjects, to become our moſt faithful, affectionate, and generous allies; and the ſame ſort of parental affection on the one ſide, and filial reſpect on the other, might revive between Great Britain and her colonies, which uſed to ſubſiſt between thoſe of ancient Greece and the mother city from which they deſcended.

In order to render any province advantageous to the empire to which it belongs, it ought to afford, in time of peace, a revenue to the publick ſufficient not only for defraying the whole expence of its own peace eſtabliſhment, but for contributing its proportion to the ſupport of the general government of the empire. Every province neceſſarily contributes, more or leſs, to increaſe the expence of that general government. If any particular province, therefore, does not contribute its ſhare towards defraying this expence, an unequal burden muſt be thrown upon ſome other part of the empire. The extraordinary revenue too which every province affords to the publick in time of war, ought, from parity of reaſon, to bear the ſame proportion to the extraordinary revenue of the whole empire which its ordinary revenue does in time of peace. That neither the ordinary nor extraordinary revenue which Great Britain derives from her colonies, bears this proportion to the whole revenue of the Britiſh empire, will readily be allowed. The monopoly, it has been ſuppoſed, indeed, by increaſing the private revenue of the people of Great Britain, and thereby enabling them to pay greater taxes, compenſates the deficiency of the publick revenue of the colonies. But this monopoly, I have endeavoured to ſhow, though a very grievous tax upon the colonies, and though it may increaſe the revenue of a particular order of men in Great Britain, diminiſhes inſtead of increaſing that of the great body of the people; and conſequently diminiſhes inſtead of increaſing the ability of the great

body of the people to pay taxes. The men too whoſe revenue the monopoly increaſes, conſtitute a particular order which it is both abſolutely impoſſible to tax beyond the proportion of other orders, and extremely impolitick even to attempt to tax beyond that proportion, as I ſhall endeavour to ſhow in the following book. No particular reſource, therefore, can be drawn from this particular order.

THE colonies may be taxed either by their own aſſemblies or by the parliament of Great Britain.

THAT the colony aſſemblies can ever be ſo managed as to levy upon their conſtituents a publick revenue ſufficient not only to maintain at all times their own civil and military eſtabliſhment, but to pay their proper proportion of the expence of the general government of the Britiſh empire, ſeems not very probable. It was a long time before even the parliament of England, though placed immediately under the eye of the ſovereign, could be brought under ſuch a ſyſtem of management, or could be rendered ſufficiently liberal in their grants for ſupporting the civil and military eſtabliſhments even of their own country. It was only by diſtributing among the particular members of parliament, a great part either of the offices, or of the diſpoſal of the offices ariſing from this civil and military eſtabliſhment, that ſuch a ſyſtem of management could be eſtabliſhed even with regard to the parliament of England. But the diſtance of the colony aſſemblies from the eye of the ſovereign, their number, their diſperſed ſituation, and their various conſtitutions, would render it very difficult to manage them in the ſame manner, even though the ſovereign had the ſame means of doing it; and thoſe means are wanting. It would be abſolutely impoſſible to diſtribute among all the leading members of all the colony aſſemblies ſuch a ſhare, either of the offices or of the diſpoſal of the offices ariſing from

from the general government of the Britiſh empire, as to diſpoſe them to give up their popularity at home and to tax their conſtituents for the ſupport of that general government, of which almoſt the whole emoluments were to be divided among people who were ſtrangers to them. The unavoidable ignorance of adminiſtration, beſides, concerning the relative importance of the different members of thoſe different aſſemblies, the offences which muſt frequently be given, the blunders which muſt conſtantly be committed in attempting to manage them in this manner, ſeem to render ſuch a ſyſtem of management altogether impracticable with regard to them.

The colony aſſemblies, beſides, cannot be ſuppoſed the proper judges of what is neceſſary for the defence and ſupport of the whole empire. The care of that defence and ſupport is not intruſted to them. It is not their buſineſs, and they have no regular means of information concerning it. The aſſembly of a province, like the veſtry of a pariſh, may judge very properly concerning the affairs of its own particular diſtrict; but can have no proper means of judging concerning thoſe of the whole empire. It cannot even judge properly concerning the proportion which its own province bears to the whole empire; or concerning the relative degree of its wealth and importance, compared with the other provinces; becauſe thoſe other provinces are not under the inſpection and ſuper-intendancy of the aſſembly of a particular province. What is neceſſary for the defence and ſupport of the whole empire, and in what proportion each part ought to contribute, can be judged of only by that aſſembly which inſpects and ſuper-intends the affairs of the whole empire.

It has been propoſed, accordingly, that the colonies ſhould be taxed by requiſition, the parliament of Great Britain determining the ſum which each colony ought to pay, and the provincial aſſembly aſſeſſing

and levying it in the way that ſuited beſt the circumſtances of the province. What concerned the whole empire would in this way be determined by the aſſembly which inſpects and ſuper-intends the affairs of the whole empire; and the provincial affairs of each colony might ſtill be regulated by its own aſſembly. Though the colonies ſhould in this caſe have no repreſentatives in the Britiſh parliament, yet, if we may judge by experience, there is no probability that the parliamentary requiſition would be unreaſonable. The parliament of England has not upon any occaſion ſhown the ſmalleſt diſpoſition to overburden thoſe parts of the empire which are not repreſented in parliament. The iſlands of Guernſey and Jerſey, without any means of reſiſting the authority of parliament, are more lightly taxed than any part of Great Britain. Parliament in attempting to exerciſe its ſuppoſed right, whether well or ill grounded, of taxing the colonies, has never hitherto demanded of them any thing which even approached to a juſt proportion to what was paid by their fellow ſubjects at home. If the contribution of the colonies, beſides, was to riſe or fall in proportion to the riſe or fall of the land tax; parliament could not tax them without taxing at the ſame time its own conſtituents, and the colonies might in this caſe be conſidered as virtually repreſented in parliament.

Examples are not wanting of empires in which all the different provinces are not taxed, if I may be allowed the expreſſion, in one maſs; but in which the ſovereign regulates the ſum which each province ought to pay, and in ſome provinces aſſeſſes and levies it as he thinks proper; while in others, he leaves it to be aſſeſſed and levied as the reſpective ſtates of each province ſhall determine. In ſome provinces of France, the king not only impoſes what taxes he thinks proper, but aſſeſſes and levies them in the way he thinks proper. From others he demands a certain ſum, but leaves it to the ſtates of each province to aſſeſs and levy that ſum as they think proper.

proper. According to the ſcheme of taxing by requiſition, the parliament of Great Britain would ſtand nearly in the ſame ſituation towards the colony aſſemblies, as the king of France does towards the ſtates of thoſe provinces which ſtill enjoy the privilege of having ſtates of their own, the provinces of France which are ſuppoſed to be the beſt governed.

But though, according to this ſcheme, the colonies could have no juſt reaſon to fear that their ſhare of the publick burdens ſhould ever exceed the proper proportion to that of their fellow citizens at home; Great Britain might have juſt reaſon to fear that it never would amount to that proper proportion. The parliament of Great Britain has not for ſome time paſt had the ſame eſtabliſhed authority in the colonies, which the French king has in thoſe provinces of France, which ſtill enjoy the privilege of having ſtates of their own. The colony aſſemblies, if they were not very favourably diſpoſed (and unleſs more ſkilfully managed than they ever have been hitherto, they are not very likely to be ſo) might ſtill find many pretences for evading or rejecting the moſt reaſonable requiſitions of parliament. A French war breaks out, we ſhall ſuppoſe; ten millions muſt immediately be raiſed in order to defend the ſeat of the empire. This ſum muſt be borrowed upon the credit of ſome parliamentary fund mortgaged for paying the intereſt. Part of this fund parliament propoſes to raiſe by a tax to be levied in Great Britain, and part of it by a requiſition to all the different colony aſſemblies of America and the Weſt Indies. Would people readily advance their money upon the credit of a fund, which partly depended upon the good humour of all thoſe aſſemblies, far diſtant from the ſeat of the war, and ſometimes, perhaps, thinking themſelves not much concerned in the event of it? Upon ſuch a fund no more money would probably be advanced than what the tax to be levied in Great Britain might be ſuppoſed to anſwer for. The whole burden of the debt contracted

contracted on account of the war would in this manner fall, as it always has done hitherto, upon Great Britain, upon a part of the empire and not upon the whole empire. Great Britain is, perhaps, ſince the world began, the only ſtate which, as it has extended its empire, has only increaſed its expence without once augmenting its reſources. Other ſtates have generally diſburdened themſelves upon their ſubject and ſubordinate provinces of the moſt conſiderable part of the expence of defending the empire. Great Britain has hitherto ſuffered her ſubject and ſubordinate provinces to diſburden themſelves upon her of almoſt this whole expence. In order to put Great Britain upon a footing of equality with her own colonies, which the law has hitherto ſuppoſed to be ſubject and ſubordinate, it ſeems neceſſary, upon the ſcheme of taxing them by parliamentary requiſition, that parliament ſhould have ſome means of rendering its requiſitions immediately effectual in caſe the colony aſſemblies ſhould attempt to evade or reject them; and what thoſe means are, it is not very eaſy to conceive, and it has not yet been explained.

SHOULD the parliament of Great Britain, at the ſame time, be ever fully eſtabliſhed in the right of taxing the colonies, even independent of the conſent of their own aſſemblies, the importance of thoſe aſſemblies would from that moment be at an end, and with it that of all the leading men of Britiſh America. Men deſire to have ſome ſhare in the management of public affairs chiefly on account of the importance which it gives them. Upon the power which the greater part of the leading men, the natural ariſtocracy of every country, have of preſerving or defending their reſpective importance, depends the ſtability and duration of every ſyſtem of free government. In the attacks which thoſe leading men are continually making upon the importance of one another, and in the defence of their own, conſiſts the whole play

of

of domeſtic faction and ambition. The leading men of America, like thoſe of all other countries, deſire to preſerve their own importance. They feel, or imagine that if their aſſemblies, which they are fond of calling parliaments, and of conſidering as equal in authority to the parliament of Great Britain, ſhould be ſo far degraded as to become the humble miniſters and executive officers of that parliament, the greater part of their own importance would be at an end. They have rejected, therefore, the propoſal of being taxed by parliamentary requiſition, and like other ambitious and high ſpirited men, have rather choſen to draw the ſword in defence of their own importance.

Towards the declenſion of the Roman republic, the allies of Rome, who had born the principal burden of defending the ſtate and extending the empire, demanded to be admitted to all the privileges of Roman citizens. Upon being refuſed, the ſocial war broke out. During the courſe of that war Rome granted thoſe privileges to the greater part of them, one by one, and in proportion as they detached themſelves from the general confederacy. The parliament of Great Britain inſiſts upon taxing the colonies; and they refuſe to be taxed by a parliament in which they are not repreſented. If to each colony, which ſhould detach itſelf from the general confederacy, Great Britain ſhould allow ſuch a number of repreſentatives as ſuited the proportion of what it contributed to the public revenue of the empire, in conſequence of its being ſubjected to the ſame taxes, and in compenſation admitted to the ſame freedom of trade with its fellow ſubjects at home; the number of its repreſentatives to be augmented as the proportion of its contribution might afterwards augment; a new method of acquiring importance, a new and more dazzling object of ambition would be preſented to the leading men of each colony. Inſtead of piddling for the little prizes which are to be found in what

may be called the paltry raffle of colony faction; they might then hope, from the preſumption which men naturally have in their own ability and good fortune, to draw ſome of the great prizes which ſometimes come from the wheel of the great ſtate lottery of Britiſh politics. Unleſs this or ſome other method is fallen upon, and there ſeems to be none more obvious than this, of preſerving the importance and of gratifying the ambition of the leading men of America, it is not very probable that they will ever voluntarily ſubmit to us; and we ought to conſider that the blood which muſt be ſhed in forcing them to do ſo, is every drop of it, the blood either of thoſe who are, or of thoſe whom we wiſh to have for our fellow citizens. They are very weak who flatter themſelves that, in the ſtate to which things have come, our colonies will be eaſily conquered by force alone. The perſons who now govern the reſolutions of what they call their continental congreſs, feel in themſelves at this moment a degree of importance which, perhaps, the greateſt ſubjects in Europe ſcarce feel. From ſhopkeepers, tradeſmen, and attornies, they are become ſtateſmen and legiſlators, and are employed in contriving a new form of government for an extenſive empire, which, they flatter themſelves, will become, and which, indeed, ſeems very likely to become one of the greateſt and moſt formidable that ever was in the world. Five hundred different people, perhaps, who in different ways act immediately under the continental congreſs; and five hundred thouſand, perhaps, who act under thoſe five hundred, all feel in the ſame manner a proportionable riſe in their own importance. Almoſt every individual of the governing party in America fills, at preſent, in his own fancy, a ſtation ſuperior, not only to what he had ever filled before, but to what he had ever expected to fill; and unleſs ſome new object of ambition is preſented either to him or to his leaders, if he has the ordinary ſpirit of a man, he will die in defence of that ſtation.

It is a remark of the preſident Henaut that we now read with pleaſure the account of many little tranſactions of the Ligue, which when they happened were not perhaps conſidered as very important pieces of news. But every man then, ſays he, fancied himſelf of ſome importance; and the innumerable memoirs which have come down to us from thoſe times, were, the greater part of them, written by people who took pleaſure in recording and magnifying events in which, they flattered themſelves, they had been conſiderable actors. How obſtinately the city of Paris upon that occaſion defended itſelf, what a dreadful famine it ſupported rather than ſubmit to the beſt and afterwards the moſt beloved of all the French kings, is well known. The greater part of the citizens, or thoſe who governed the greater part of them, fought in defence of their own importance, which they foreſaw was to be at an end whenever the antient government ſhould be re-eſtabliſhed. Our colonies, unleſs they can be induced to conſent to a union, are very likely to defend themſelves againſt the beſt of all mother countries, as obſtinately as the city of Paris did againſt one of the beſt of kings.

The idea of repreſentation was unknown in antient times. When the people of one ſtate were admitted to the right of citizenſhip in another, they had no other means of exerciſing that right but by coming in a body to vote and deliberate with the people of that other ſtate. The admiſſion of the greater part of the inhabitants of Italy to the privileges of Roman citizens, completely ruined the Roman republic. It was no longer poſſible to diſtinguiſh between who was and who was not a Roman citizen. No tribe could know its own members. A rabble of any kind could be introduced into the aſſemblies of the people, could drive out the real citizens, and decide upon the affairs of the republic as if they themſelves had been ſuch. But though America was to

ſend fifty or ſixty new repreſentatives to parliament, the door-keeper of the houſe of commons could not find any great difficulty in diſtinguiſhing between who was and who was not a member. Though the Roman conſtitution, therefore, was neceſſarily ruined by the union of Rome with the allied ſtates of Italy, there is not the leaſt probability that the Britiſh conſtitution would be hurt by the union of Great Britain with her colonies. That conſtitution, on the contrary, would be compleated by it, and ſeems to be imperfect without it. The aſſembly which deliberates and decides concerning the affairs of every part of the empire, in order to be properly informed, ought certainly to have repreſentatives from every part of it. That this union, however, could be eaſily effectuated, or that difficulties and great difficulties might not occur in the execution, I do not pretend. I have yet heard of none, however, which appear inſurmountable. The principal perhaps ariſe, not from the nature of things, but from the prejudices and opinions of the people both on this and the other ſide of the Atlantic.

We, on this ſide the water, are afraid leſt the multitude of American repreſentatives ſhould over-turn the balance of the conſtitution, and increaſe too much either the influence of the crown on the one hand, or the force of the democracy on the other. But if the number of American repreſentatives was to be in proportion to the produce of American taxation, the number of people to be managed would increaſe exactly in proportion to the means of managing them; and the means of managing, to the number of people to be managed. The monarchical and democratical parts of the conſtitution would, after the union, ſtand exactly in the ſame degree of relative force with regard to one another as they had done before.

The people on the other ſide of the water are afraid leſt their diſtance from the ſeat of government might expoſe them to many oppreſſions. But their repreſentatives in parliament, of which the number ought from the firſt to be conſiderable, would eaſily be able to protect them from all oppreſſion. The diſtance could not much weaken the dependency of the repreſentative upon the conſtituent, and the former would ſtill feel that he owed his ſeat in parliament and all the conſequence which he derived from it to the good will of the latter. It would be the intereſt of the former, therefore, to cultivate that good-will by complaining with all the authority of a member of the legiſlature, of every outrage which any civil or military officer might be guilty of in thoſe remote parts of the empire. The diſtance of America from the ſeat of government, beſides, the nations of that country might flatter themſelves, with ſome appearance of reaſon too, would not be of very long continuance. Such has hitherto been the rapid progreſs of that country in wealth, population and improvement, that in the courſe of little more than a century, perhaps, the produce of American might exceed that of Britiſh taxation. The ſeat of the empire would then naturally remove itſelf to that part of the empire which contributed moſt to the general defence and ſupport of the whole.

The diſcovery of America, and that of a paſſage to the Eaſt Indies by the Cape of Good Hope, are the two greateſt and moſt important events recorded in the hiſtory of mankind. Their conſequences have already been very great: but, in the ſhort period of between two and three centuries which has elapſed ſince theſe diſcoveries were made, it is impoſſible that the whole extent of their conſequences can have been ſeen. What benefits, or what misfortunes to mankind may hereafter reſult from thoſe great events no human wiſdom can foreſee. By uniting, in ſome meaſure, the moſt diſtant parts of the world, by enabling them to relieve one another's

wants, to increaſe one another's enjoyments, and to encourage one another's induſtry, their general tendency would ſeem to be beneficial. To the natives, however, both of the Eaſt and Weſt Indies, all the commercial benefits which can have reſulted from thoſe events have been ſunk and loſt in the dreadful misfortunes which they have occaſioned. Theſe misfortunes, however, ſeem to have ariſen rather from accident than from any thing in the nature of thoſe events themſelves. At the particular time when theſe diſcoveries were made, the ſuperiority of force happened to be ſo great on the ſide of the Europeans, that they were enabled to commit with impunity every ſort of injuſtice in thoſe remote countries. Hereafter, perhaps, the natives of thoſe countries may grow ſtronger, or thoſe of Europe may grow weaker, and the inhabitants of all the different quarters of the world may arrive at that equality of courage and force which, by inſpiring mutual fear, can alone overawe the injuſtice of independent nations into ſome ſort of reſpect for the rights of one another. But nothing ſeems more likely to eſtabliſh this equality of force than that mutual communication of knowledge and of all ſorts of improvements which an extenſive commerce from all countries to all countries naturally, or rather neceſſarily, carries along with it.

In the mean time one of the principal effects of thoſe diſcoveries has been to raiſe the mercantile ſyſtem to a degree of ſplendor and glory which it could never otherwiſe have attained to. It is the object of that ſyſtem to enrich a great nation rather by trade and manufactures than by the improvement and cultivation of land, rather by the induſtry of the towns than by that of the country. But, in conſequence of thoſe diſcoveries, the commercial towns of Europe, inſtead of being the manufacturers and carriers for but a very ſmall part of the world, (that part of Europe which is waſhed by the Atlantic ocean, and the countries which

lie round the Baltick and Mediterranean ſeas), have now become the manufacturers for the numerous and thriving cultivators of America, and the carriers, and in ſome reſpects the manufacturers too, for almoſt all the different nations of Aſia, Africa, and America. Two new worlds have been opened to their induſtry, each of them much greater and more extenſive than the old one, and the market of one of them growing ſtill greater and greater every day.

The countries which poſſeſs the colonies of America, and which trade directly to the Eaſt Indies, enjoy, indeed, the whole ſhew and ſplendor of this great commerce. Other countries, however, notwithſtanding all the invidious reſtraints by which it is meant to exclude them, frequently enjoy a greater ſhare of the real benefit of it. The colonies of Spain and Portugal, for example, give more real encouragement to the induſtry of other countries than to that of Spain and Portugal. In the ſingle article of linen alone the conſumption of thoſe colonies amounts, it is ſaid, but I do not pretend to warrant the quantity, to more than three millions ſterling a year. But this great conſumption is almoſt entirely ſupplied by France, Flanders, Holland, and Germany. Spain and Portugal furniſh but a ſmall part of it. The capital which ſupplies the colonies with this great quantity of linen is annually diſtributed among, and furniſhes a revenue to the inhabitants of thoſe other countries. The profits of it only are ſpent in Spain and Portugal, where they help to ſupport the ſumptuous profuſion of the merchants of Cadiz and Liſbon.

Even the regulations by which each nation endeavours to ſecure to itſelf the excluſive trade of its own colonies, are frequently more hurtful to the countries in favour of which they are eſtabliſhed than to thoſe againſt which they are eſtabliſhed. The unjuſt

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unjuſt oppreſſion of the induſtry of other countries falls back, if I may ſay ſo, upon the heads of the oppreſſors, and cruſhes their induſtry more than it does that of thoſe other countries. By thoſe regulations, for example, the merchant of Hamburgh muſt ſend the linen which he deſtines for the American market to London, and he muſt bring back from thence the tobacco which he deſtines for the German market; becauſe he can neither ſend the one directly to America, nor bring back the other directly from thence. By this reſtraint he is probably obliged to ſell the one ſomewhat cheaper, and to buy the other ſomewhat dearer than he otherwiſe might have done; and his profits are probably ſomewhat abridged by means of it. In this trade, however, between Hamburgh and London, he certainly receives the returns of his capital much more quickly than he could poſſibly have done in the direct trade to America, even though we ſhould ſuppoſe, what is by no means the caſe, that the payments of America were as punctual as thoſe of London. In the trade, therefore, to which thoſe regulations confine the merchant of Hamburgh, his capital can keep in conſtant employment a much greater quantity of German induſtry than it poſſibly could have done in the trade from which he is excluded. Though the one employment, therefore, may to him perhaps be leſs profitable than the other, it cannot be leſs advantageous to his country. It is quite otherwiſe with the employment into which the monopoly naturally attracts, if I may ſay ſo, the capital of the London merchant. That employment may, perhaps, be more profitable to him than the greater part of other employments, but, on account of the ſlowneſs of the returns, it cannot be more advantageous to his country.

After all the unjuſt attempts, therefore, of every country in Europe to engroſs to itſelf the whole advantage of the trade of its own colonies, no country has yet been able to engroſs to itſelf any

thing but the expence of ſupporting in time of peace and of defending in time of war the oppreſſive authority which it aſſumes over them. The inconveniencies reſulting from the poſſeſſion of its colonies, every country has engroſſed to itſelf completely. The advantages reſulting from their trade it has been obliged to ſhare with many other countries.

At firſt ſight, no doubt, the monopoly of the great commerce of America, naturally ſeems to be an acquiſition of the higheſt value. To the undiſcerning eye of giddy ambition, it naturally preſents itſelf, amidſt the confuſed ſcramble of politicks and war, as a very dazzling object to fight for. The dazzling ſplendor of the object, however, the immenſe greatneſs of the commerce, is the very quality which renders the monopoly of it hurtful, or which makes one employment, in its own nature neceſſarily leſs advantageous to the country than the greater part of other employments, abſorb a much greater proportion of the capital of the country than what would otherwiſe have gone to it.

The mercantile ſtock of every country, it has been ſhewn in the ſecond book, naturally ſeeks, if one may ſay ſo, the employment moſt advantageous to that country. If it is employed in the carrying trade, the country to which it belongs becomes the emporium of the goods of all the countries whoſe trade that ſtock carries on. But the owner of that ſtock neceſſarily wiſhes to diſpoſe of as great a part of thoſe goods as he can at home. He thereby ſaves himſelf the trouble, riſk and expence, of exportation, and he will upon that account be glad to ſell them at home, not only for a much ſmaller price, but with ſomewhat a ſmaller profit than he might expect to make by ſending them abroad. He naturally, therefore, endeavours as much as he can to turn his carrying trade into a foreign trade of conſumption. If his ſtock again is employed in a foreign trade of conſumption, he will, for the ſame reaſon, be glad

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to diſpoſe of at home as great a part as he can of the home goods, which he collects in order to export to ſome foreign market, and he will thus endeavour as much as he can, to turn his foreign trade of conſumption into a home trade. The mercantile ſtock of every country naturally courts in this manner the near, and ſhuns the diſtant employment; naturally courts the employment in which the returns are frequent, and ſhuns that in which they are diſtant and ſlow; naturally courts the employment in which it can maintain the greateſt quantity of productive labour in the country to which it belongs, or in which its owner reſides, and ſhuns that in which it can maintain there the ſmalleſt quantity. It naturally courts the employment which in ordinary caſes is moſt advantageous, and ſhuns that which in ordinary caſes is leaſt advantageous to that country.

But if in any of thoſe diſtant employments, which in ordinary caſes are leſs advantageous to the country, the profit ſhould happen to riſe ſomewhat higher than what is ſufficient to balance the natural preference which is given to nearer employments, this ſuperiority of profit will draw ſtock from thoſe nearer employments, till the profits of all return to their proper level. This ſuperiority of profit, however, is a proof that in the actual circumſtances of the ſociety, thoſe diſtant employments are ſomewhat underſtocked in proportion to other employments, and that the ſtock of the ſociety is not diſtributed in the propereſt manner among all the different employments carried on in it. It is a proof that ſomething is either bought cheaper or ſold dearer than it ought to be, and that ſome particular claſs of citizens is more or leſs oppreſſed either by paying more or by getting leſs than what is ſuitable to that equality, which ought to take place, and which naturally does take place among all the different claſſes of them. Though the ſame capital never will maintain the ſame quantity of productive labour in a diſtant as in a near employment, yet a diſtant employment may be as neceſſary for the welfare of the

ſociety

ſociety as a near one; the goods which the diſtant employment deals in being neceſſary, perhaps, for carrying on many of the nearer employments. But if the profits of thoſe who deal in ſuch goods are above their proper level, thoſe goods will be ſold dearer than they ought to be, or ſomewhat above their natural price, and all thoſe engaged in the nearer employments will be more or leſs oppreſſed by this high price. Their intereſt, therefore, in this caſe requires that ſome ſtock ſhould be withdrawn from thoſe nearer employments, and turned towards that diſtant employment, in order to reduce its profits to their proper level, and the price of the goods which it deals in to their natural price. In this extraordinary caſe, the publick intereſt requires that ſome ſtock ſhould be withdrawn from thoſe employments which in ordinary caſes are more advantageous, and turned towards one which in ordinary caſes is leſs advantageous to the publick: and in this extraordinary caſe, the natural intereſts and inclinations of men coincide as exactly with the publick intereſt as in all other ordinary caſes, and lead them to withdraw ſtock from the near, and to turn it towards the diſtant employment.

It is thus that the private intereſts and paſſions of individuals naturally diſpoſe them to turn their ſtock towards the employments which in ordinary caſes are moſt advantageous to the ſociety. Bu if from this natural preference they ſhould turn too much of it towards thoſe employments, the fall of profit in them and the riſe of it in all others immediately diſpoſe them to alter this faulty diſtribution. Without any intervention of law, therefore, the private intereſts and paſſions of men naturally lead them to divide and diſtribute the ſtock of every ſociety, among all the different employments carried on in it, as nearly as poſſible in the proportion which is moſt agreeable to the intereſt of the whole ſociety.

All the different regulations of the mercantile ſyſtem, neceſſarily derange more or leſs this natural and moſt advantageous diſtribution of ſtock. But thoſe which concern the trade to America and the Eaſt Indies derange it perhaps more than any other; becauſe the trade to thoſe two great continents abſorbs a greater quantity of ſtock than any two other branches of trade. The regulations, however, by which this derangement is effected in thoſe two different branches of trade are not altogether the ſame. Monopoly is the great engine of both; but it is a different ſort of monopoly. Monopoly of one kind or another, indeed, ſeems to be the ſole engine of the mercantile ſyſtem.

In the trade to America every nation endeavours to engroſs as much as poſſible the whole market of its own colonies, by fairly excluding all other nations from any direct trade to them. During the greater part of the ſixteenth century, the Portugueze endeavoured to manage the trade to the Eaſt Indies in the ſame manner, by claiming the ſole right of ſailing in the Indian ſeas, on account of the merit of having firſt found out the road to them. The Dutch ſtill continue to exclude all other European nations from any direct trade to their ſpice iſlands. Monopolies of this kind are evidently eſtabliſhed againſt all other European nations, who are thereby not only excluded from a trade to which it might be convenient for them to turn ſome part of their ſtock, but are obliged to buy the goods which that trade deals in ſomewhat dearer than if they could import them themſelves directly from the countries which produce them.

But ſince the fall of the power of Portugal, no European nation has claimed the excluſive right of ſailing in the Indian ſeas, of which the principal ports are now open to the ſhips of all European nations. Except in Portugal, however, and within theſe few years in France, the

the trade to the Eaſt Indies has in every European country been ſubjected to an excluſive company. Monopolies of this kind are properly eſtabliſhed againſt the very nation which erects them. The greater part of that nation are thereby, not only excluded from a trade to which it might be convenient for them to turn ſome part of their ſtock, but are obliged to buy the goods which that trade deals in, ſomewhat dearer than if it was open and free to all their countrymen. Since the eſtabliſhment of the Engliſh Eaſt India company, for example, the other inhabitants of England, over and above being excluded from the trade, muſt have paid in the price of the Eaſt India goods which they have conſumed, not only for all the extraordinary profits which the company may have made upon thoſe goods in conſequence of their monopoly, but for all the extraordinary waſte which the fraud and abuſe, inſeparable from the management of the affairs of ſo great a company, muſt neceſſarily have occaſioned. The abſurdity of this ſecond kind of monopoly, therefore, is much more manifeſt than that of the firſt.

Both theſe kinds of monopolies derange more or leſs the natural diſtribution of the ſtock of the ſociety: but they do not always derange it in the ſame way.

Monopolies of the firſt kind always attract to the particular trade in which they are eſtabliſhed, a greater proportion of the ſtock of the ſociety than what would go to that trade of its own accord.

Monopolies of the ſecond kind may ſometimes attract ſtock towards the particular trade in which they are eſtabliſhed and ſometimes repel it from that trade according to different circumſtances. In poor countries they naturally attract towards that trade more ſtock than would otherwiſe go to it. In rich countries they

they naturally repel from it a good deal of ſtock which would otherwiſe go to it.

Such poor countries as Sweden and Denmark, for example, would probably have never ſent a ſingle ſhip to the Eaſt Indies, had not the trade been ſubjected to an excluſive company. The eſtabliſhment of ſuch a company neceſſarily encourages adventurers. Their monopoly ſecures them againſt all competitors in the home market, and they have the ſame chance for foreign markets with the traders of other nations. Their monopoly ſhows them the certainty of a great profit upon a conſiderable quantity of goods, and the chance of a conſiderable profit upon a great quantity. Without ſuch extraordinary encouragement, the poor traders of ſuch poor countries would probably never have thought of hazarding their ſmall capitals in ſo very diſtant and uncertain an adventure as the trade to the Eaſt Indies muſt naturally have appeared to them.

Such a rich country as Holland, on the contrary, would probably, in the caſe of a free trade, ſend many more ſhips to the Eaſt Indies than it actually does. The limited ſtock of the Dutch Eaſt India company probably repels from that trade many great mercantile capitals which would otherwiſe go to it. The mercantile capital of Holland is ſo great that it is, as it were, continually overflowing, ſometimes into the public funds of foreign countries, ſometimes into loans to private traders and adventurers of foreign countries, ſometimes into the moſt round about foreign trades of conſumption, and ſometimes into the carrying trade. All near employments being completely filled up, all the capital which can be placed in them with any tollerable profit being already placed in them, the capital of Holland neceſſarily flows towards the moſt diſtant employments. The trade to the Eaſt Indies, if it was altogether free, would probably abſorb the

greater part of this redundant capital. The Eaſt Indies offer a market both for the manufactures of Europe and for the gold and ſilver as well as for ſeveral other productions of America, greater and more extenſive than both Europe and America put together.

Every derangement of the natural diſtribution of ſtock is neceſſarily hurtful to the ſociety in which it takes place; whether it be by repelling from a particular trade the ſtock which would otherwiſe go to it, or by attracting towards a particular trade that which would not otherwiſe come to it. If without any excluſive company, the trade of Holland to the Eaſt Indies would be greater than it actually is, that country muſt ſuffer a conſiderable loſs by part of its capital being excluded from the employment moſt convenient for that part. And in the ſame manner, if without an excluſive company, the trade of Sweden and Denmark to the Eaſt Indies would be leſs than it actually is, or, what perhaps is more probable, would not exiſt at all, thoſe two countries muſt likewiſe ſuffer a conſiderable loſs by part of their capital being drawn into an employment which muſt be more or leſs unſuitable to their preſent circumſtances. Better for them, perhaps, in their preſent circumſtances to buy Eaſt India goods of other nations, even though they ſhould pay ſomewhat dearer, than to turn ſo great a part of their ſmall capital to ſo very diſtant a trade, in which the returns are ſo very ſlow, in which that capital can maintain ſo ſmall a quantity of productive labour at home, where productive labour is ſo much wanted, where ſo little is done, and where ſo much is to do.

Though without an excluſive company, therefore, a particular country ſhould not be able to carry on any direct trade to the Eaſt Indies, it will not from thence follow that ſuch a company ought to be eſtabliſhed there, but only that ſuch a country ought not in

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theſe circumſtances to trade directly to the Eaſt Indies. That ſuch companies are not in general neceſſary for carrying on the Eaſt India trade, is ſufficiently demonſtrated by the experience of the Portugueze, who enjoyed almoſt the whole of it for more than a century together without any excluſive company.

No private merchant, it has been ſaid, could well have capital ſufficient to maintain factors and agents in the different ports of the Eaſt Indies, in order to provide goods for the ſhips which he might occaſionally ſend thither; and yet, unleſs he was able do this, the difficulty of finding a cargo might frequently make his ſhips loſe the ſeaſon for returning, and the expence of ſo long a delay would not only eat up the whole profit of the adventure, but frequently occaſion a very conſiderable loſs. This argument, however, if it proved any thing at all, would prove that no one great branch of trade could be carried on without an excluſive company, which is contrary to the experience of all nations. There is no great branch of trade in which the capital of any one private merchant is ſufficient for carrying on all the ſubordinate branches which muſt be carried on in order to carry on the principal branch. But when a nation is ripe for any great branch of trade, ſome merchants naturally turn their capitals towards the principal, and ſome towards the ſubordinate branches of it; and though all the different branches of it are in this manner carried on, yet it very ſeldom happens that they are all carried on by the capital of one private merchant. If a nation, therefore, is ripe for the Eaſt India trade, a certain portion of its capital will naturally divide itſelf among all the different branches of that trade. Some of its merchants will find it for their intereſt to reſide in the Eaſt Indies, and to employ their capitals there in providing goods for the ſhips which are to be ſent out by other merchants who reſide in Europe. The ſettlements which

which different European nations have obtained in the Eaſt Indies, if they were taken from the excluſive companies to which they at preſent belong and put under the immediate protection of the ſovereign, would render this reſidence both ſafe and eaſy, at leaſt to the merchants of the particular nations to whom thoſe ſettlements belong. If at any particular time that part of the capital of any country which of its own accord tended and inclined, if I may ſay ſo, towards the Eaſt India trade, was not ſufficient for carrying on all thoſe different branches of it, it would be a proof that at that particular time, that country was not ripe for that trade, and that it would do better to buy for ſome time, even at a higher price, from other European nations, the Eaſt India goods it had occaſion for, than to import them itſelf directly from the Eaſt Indies. What it might loſe by the high price of thoſe goods could ſeldom be equal to the loſs which it would ſuſtain by the diſtraction of a large portion of its capital from other employments more neceſſary, or more uſeful, or more ſuitable to its circumſtances and ſituation than a direct trade to the Eaſt Indies.

THOUGH the Europeans poſſeſs many conſiderable ſettlements both upon the coaſt of Africa and in the Eaſt Indies, they have not yet eſtabliſhed in either of thoſe countries ſuch numerous and thriving colonies as thoſe in the iſlands and continent of America. Africa, however, as well as ſeveral of the countries comprehended under the general name of the Eaſt Indies, are inhabited by barbarous nations. But thoſe nations were by no means ſo weak and defenceleſs as the miſerable and helpleſs Americans; and in proportion to the natural fertility of the countries which they inhabited, they were beſides much more populous. The moſt barbarous nations either of Africa or of the Eaſt Indies were ſhepherds; even the Hotentots were ſo. But the natives of every part of America, except Mexico and Peru, were only hunters; and the difference is

very great between the number of ſhepherds and that of hunters whom the ſame extent of equally fertile territory can maintain. In Africa and the Eaſt Indies, therefore, it was more difficult to diſplace the natives, and to extend the European plantations over the greater part of the lands of the original inhabitants. The genius of excluſive companies, beſides, is unfavourable, it has already been obſerved, to the growth of new colonies, and has probably been the principal cauſe of the little progreſs which they have made in the Eaſt Indies. The Portugueze carried on the trade both to Africa and the Eaſt Indies without any excluſive companies, and their ſettlements at Congo, Angola, and Benguela on the coaſt of Africa, and at Goa in the Eaſt Indies, though much depreſſed by ſuperſtition and every ſort of bad government, yet bear ſome faint reſemblance to the colonies of America, and are partly inhabited by Portugueze who have been eſtabliſhed there for ſeveral generations. The Dutch ſettlements at the Cape of Good Hope and at Batavia, are at preſent the moſt conſiderable colonies which the Europeans have eſtabliſhed either in Africa or in the Eaſt Indies, and both thoſe ſettlements are peculiarly fortunate in their ſituation. The Cape of Good Hope was inhabited by a race of people almoſt as barbarous and quite as incapable of defending themſelves as the natives of America. It is beſides the half way-houſe, if one may ſay ſo, between Europe and the Eaſt Indies, at which almoſt every European ſhip makes ſome ſtay both in going and returning. The ſupplying of thoſe ſhips with every ſort of freſh proviſions, with fruit and ſometimes with wine, affords alone a very extenſive market for the ſurplus produce of the coloniſts. What the Cape of Good Hope is between Europe and every part of the Eaſt Indies, Batavia is between the principal countries of the Eaſt Indies. It lies upon the moſt frequented road from Indoſtan to China and Japan, and is nearly about mid-way upon that road. Almoſt all the ſhips too that ſail between

Europe

Europe and China touch at Batavia; and it is, over and above all this, the center and principal mart of what is called the country trade of the Eaſt Indies; not only of that part of it which is carried on by Europeans, but of that which is carried on by the native Indians, and veſſels navigated by the inhabitants of China and Japan; of Tonquin, Malacca, Cochin-China and the iſland of Celebes, are frequently to be ſeen in its port. Such advantageous ſituations have enabled thoſe two colonies to ſurmount all the obſtacles which the oppreſſive genius of an excluſive company may have occaſionally oppoſed to their growth. They have enabled Batavia to ſurmount the additional diſadvantage of perhaps the moſt unwholeſome climate in the world.

The Engliſh and Dutch companies, though they have eſtabliſhed no conſiderable colonies, except the two above mentioned, have both made conſiderable conqueſts in the Eaſt Indies. But in the manner in which they both govern their new ſubjects, the natural genius of an excluſive company has ſhown itſelf moſt diſtinctly. In the ſpice iſlands the Dutch burn all the ſpiceries which a fertile ſeaſon produces beyond what they expect to diſpoſe of in Europe with ſuch a profit as they think ſufficient. In the iſlands where they have no ſettlements, they give a premium to thoſe who collect the young bloſſoms and green leaves of the clove and nutmeg trees which naturally grow there, but which this barbarous policy has now, it is ſaid, almoſt completely extirpated. Even in the iſlands where they have ſettlements they have very much reduced, it is ſaid, the number of thoſe trees. If the produce even of their own iſlands was much greater than what ſuited their market, the natives, they ſuſpect, might find means to convey ſome part of it to other nations; and the beſt way, they imagine, to ſecure their own monopoly, is to take care that no more ſhall grow than what they themſelves carry to market. By different arts of oppreſſion they have reduced the population of ſeveral of the Moluccas nearly to the number which

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is ſufficient to ſupply with freſh proviſions and other neceſſaries of life their own inſignificant garriſons, and ſuch of their ſhips as occaſionally come there for a cargo of ſpices. Under the government even of the Portugueze, however, thoſe iſlands are ſaid to have been tolerably well inhabited. The Engliſh company have not yet had time to eſtabliſh in Bengal ſo perfectly deſtructive a ſyſtem. The plan of their government, however, has had exactly the ſame tendency. It has not been uncommon, I am well aſſured, for the chief, that is, the firſt clerk of a factory, to order a peaſant to plough up a rich field of poppies, and ſow it with rice or ſome other grain. The pretence was, to prevent a ſcarcity of proviſions; but the real reaſon, to give the chief an opportunity of ſelling at a better price a large quantity of opium, which he happened then to have upon hand. Upon other occaſions the order has been reverſed; and a rich field of rice or other grain has been ploughed up in order to make room for a plantation of poppies; when the chief foreſaw that extraordinary profit was likely to be made by opium. The ſervants of the company have upon ſeveral occaſions attempted to eſtabliſh in their own favour the monopoly of ſome of the moſt important branches, not only of the foreign, but of the inland trade of the country. Had they been allowed to go on, it is impoſſible that they ſhould not at ſome time or another have attempted to reſtrain the production of the particular articles of which they had thus uſurped the monopoly, not only to the quantity which they themſelves could purchaſe, but to that which they could expect to ſell with ſuch a profit as they might think ſufficient. In the courſe of a century or two, the policy of the Engliſh company would in this manner have probably proved as completely deſtructive as that of the Dutch.

NOTHING, however, can be more directly contrary to the real intereſt of thoſe companies, conſidered as the ſovereigns of the countries which they have conquered, than this deſtructive plan.

In

In almoſt all countries the revenue of the ſovereign is drawn from that of the people. The greater the revenue of the people, therefore, the greater the annual produce of their land and labour, the more they can afford to the ſovereign. It is his intereſt, therefore, to increaſe as much as poſſible that annual produce. But if this is the intereſt of every ſovereign, it is peculiarly ſo of one whoſe revenue, like that of the ſovereign of Bengal, ariſes chiefly from a land-rent. That rent muſt neceſſarily be in proportion to the quantity and value of the produce, and both the one and the other muſt depend upon the extent of the market. The quantity will always be ſuited with more or leſs exactneſs to the conſumption of thoſe who can afford to pay for it, and the price which they will pay will always be in proportion to the eagerneſs of their competition. It is the intereſt of ſuch a ſovereign, therefore, to open the moſt extenſive market for the produce of his country, to allow the moſt perfect freedom of commerce, in order to increaſe as much as poſſible the number and the competition of buyers; and upon this account to aboliſh, not only all monopolies, but all reſtraints upon the tranſportation of the home produce from one part of the country to another, upon its exportation to foreign countries, or upon the importation of goods of any kind for which it can be exchanged. He is in this manner moſt likely to increaſe both the quantity and value of that produce, and conſequently of his own ſhare of it, or of his own revenue.

But a company of merchants are, it ſeems, incapable of conſidering themſelves as ſovereigns, even after they have become ſuch. Trade, or buying in order to ſell again, they ſtill conſider as the principal buſineſs, and by a ſtrange abſurdity, regard the character of the ſovereign as but an appendix to that of the merchant, as ſomething which ought to be made ſubſervient to it, or by means of which they may be enabled to buy cheaper in India and thereby to

ſell with a better profit in Europe. They endeavour for this purpoſe to keep out as much as poſſible all competitors from the market of the countries which are ſubject to their government, and conſequently to reduce, at leaſt, ſome part of the ſurplus produce of thoſe countries to what is barely ſufficient for ſupplying their own demand, or to what they can expect to ſell in Europe with ſuch a profit as they may think reaſonable. Their mercantile habits draw them in this manner, almoſt neceſſarily, though perhaps inſenſibly, to prefer upon all ordinary occaſions the little and tranſitory profit of the monopoliſt to the great and permanent revenue of the ſovereign, and would gradually lead them to treat the countries ſubject to their government nearly as the Dutch treat the Moluccas.

But if the genius of ſuch a government, even as to what concerns its direction in Europe, is in this manner eſſentially and perhaps incurably faulty, that of its adminiſtration in India is ſtill more ſo. That adminiſtration is neceſſarily compoſed of a council of merchants, a profeſſion no doubt extremely reſpectable, but which in no country in the world carries along with it that ſort of authority which naturally over-awes the people, and without force commands their willing obedience. Such a council can command obedience only by the military force with which they are accompanied, and their government is therefore neceſſarily military and deſpotical. Their proper buſineſs, however, is that of merchants. It is to ſell, upon their maſters account, the European goods conſigned to them, and to buy in return Indian goods for the European market. It is to ſell the one as dear and to buy the other as cheap as poſſible, and conſequently to exclude as much as poſſible all rivals from the particular market where they keep their ſhop. The genius of the adminiſtration, therefore, ſo far as concerns the trade of the company, is the ſame as that of the direction. It tends to make government ſubſervient to the intereſt of monopoly, and conſequently

conſequently to ſtunt the natural growth of ſome parts at leaſt of the ſurplus produce of the country to what is barely ſufficient for anſwering the demand of the company.

All the members of the adminiſtration, beſides, trade more or leſs upon their own account, and it is in vain to prohibit them from doing ſo. Nothing can be more completely fooliſh than to expect that the clerks of a great counting-houſe at ten thouſand miles diſtance, and conſequently almoſt quite out of ſight, ſhould, upon a ſimple order from their maſters, give up at once doing any ſort of buſineſs upon their own account, abandon forever all hopes of making a fortune of which they have the means in their hands, and content themſelves with the moderate ſalaries which thoſe maſters allow them, and which, moderate as they are, can ſeldom be augmented, being commonly as large as the real profits of the company trade can afford. In ſuch circumſtances, to prohibit the ſervants of the company from trading upon their own account, can have ſcarce any other effect than to enable the ſuperior ſervants, under pretence of executing their maſters order, to oppreſs ſuch of the inferior ones as have had the misfortune to fall under their diſpleaſure. The ſervants naturally endeavour to eſtabliſh the ſame monopoly in favour of their own private trade as of the publick trade of the company. If they are ſuffered to act as they could wiſh, they will eſtabliſh this monopoly openly and directly, by fairly prohibiting all other people from trading in the articles in which they chuſe to deal; and this perhaps is the beſt and leaſt oppreſſive way of eſtabliſhing it. But if by an order from Europe they are prohibited from doing this, they will, notwithſtanding, endeavour to eſtabliſh a monopoly of the ſame kind, ſecretly and indirectly, in a way that is much more deſtructive to the country. They will employ the whole authority of government, and pervert the adminiſtration of juſtice, in order to harraſs and ruin thoſe who interfere with them

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in any branch of commerce which by means of agents, either concealed or at leaſt not publickly avowed, they may chuſe to carry on. But the private trade of the ſervants will naturally extend to a much greater variety of articles than the publick trade of the company. The publick trade of the company extends no further than the trade with Europe, and comprehends a part only of the foreign trade of the country. But the private trade of the ſervants may extend to all the different branches both of its inland and foreign trade. The monopoly of the company can tend only to ſtunt the natural growth of that part of the ſurplus produce which in the caſe of a free trade would be exported to Europe. That of the ſervants tends to ſtunt the natural growth of every part of the produce in which they chuſe to deal, of what is deſtined for home conſumption, as well as of what is deſtined for exportation; and conſequently to degrade the cultivation of the whole country, and to reduce the number of its inhabitants. It tends to reduce the quantity of every ſort of produce, even that of the neceſſaries of life, whenever the ſervants of the company chuſe to deal in them, to what thoſe ſervants can both afford to buy and expect to ſell with ſuch a profit as pleaſes them.

From the nature of their ſituation too the ſervants muſt be more diſpoſed to ſupport with rigorous ſeverity their own intereſt againſt that of the country which they govern, than their maſters can be to ſupport theirs. The country belongs to their maſters, who cannot avoid having ſome regard for the intereſt of what belongs to them. But it does not belong to the ſervants. The real intereſt of their maſters, if they were capable of underſtanding it, is the ſame with that of the country, and it is from ignorance only and the meanneſs of mercantile prejudice that they ever oppreſs it. But the real intereſt of the ſervants is by no means the ſame with that of the country, and the moſt perfect information would not neceſſarily

put an end to their oppreſſions. The regulations accordingly which have been ſent out from Europe, though they have been frequently weak, have commonly been well-meaning. More intelligence and perhaps leſs good-meaning has ſometimes appeared in thoſe eſtabliſhed by the ſervants in India. It is a very ſingular government in which every member of the adminiſtration wiſhes to get out of the country, and conſequently to have done with the government, as ſoon as he can, and to whoſe intereſt, the day after he has left it and carried his whole fortune with him, it is perfectly indifferent if the whole country was ſwallowed up by an earthquake.

I MEAN not, however, by any thing which I have here ſaid, to throw any odious imputation upon the general character of the ſervants of the Eaſt India company, and much leſs upon that of any particular perſons. It is the ſyſtem of government, the ſituation in which they were placed, that I mean to cenſure; not the character of thoſe who have acted in it. They acted as their ſituation naturally directed, and they who have clamoured the loudeſt againſt them would probably not have acted better themſelves. In war and negociation, the councils of Madraſs and Calcutta have upon ſeveral occaſions conducted themſelves with a reſolution and deciſive wiſdom which would have done honour to the ſenate of Rome in the beſt days of that republick. The members of thoſe councils, however, had been bred to profeſſions very different from war and politicks. But their ſituation alone, without education, experience, or even example, ſeems to have formed in them all at once the great qualities which it required, and to have inſpired them both with abilities and virtues which they themſelves could not well know that they poſſeſſed. If upon ſome occaſions, therefore, it has animated them to actions of magnanimity which could not well have been expected from them; we ſhould not wonder if upon others it has prompted them to exploits of ſomewhat a different nature.

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Such excluſive companies, therefore, are nuiſances in every reſpect; always more or leſs inconvenient to the countries in which they are eſtabliſhed, and deſtructive to thoſe which have the misfortune to fall under their government.

CHAP. VIII.

Of the agricultural Syſtems, or of thoſe Syſtems of political Oeconomy which repreſent the Produce of Land as either the ſole or the principal Source of the Revenue and Wealth of every Country.

The agricultural ſyſtems of political œconomy will not require ſo long an explanation as that which I have thought it neceſſary to beſtow upon the mercantile or commercial ſyſtem.

That ſyſtem which repreſents the produce of land as the ſole ſource of the revenue and wealth of every country, has, ſo far as I know, never been adopted by any nation, and it at preſent exiſts only in the ſpeculations of a few men of great learning and ingenuity in France. It would not, ſurely, be worth while to examine at great length the errors of a ſyſtem which never has done, and probably never will do any harm in any part of the world. I ſhall endeavour to explain, however, as diſtinctly as I can, the great outlines of this very ingenious ſyſtem.

Mr. Colbert, the famous miniſter of Lewis XIVth, was a man of probity, of great induſtry and knowledge of detail; of great experience and acuteneſs in the examination of publick accounts, and of abilities, in ſhort, every way fitted for introducing method

and good order into the collection and expenditure of the publick revenue. That miniſter had unfortunately embraced all the prejudices of the mercantile ſyſtem. That ſyſtem, in its nature and eſſence a ſyſtem of reſtraint and regulation, could ſcarce fail to be agreeable to a laborious and plodding man of buſineſs, who had been accuſtomed to regulate the different departments of publick offices, and to eſtabliſh the neceſſary checks and controuls for confining each to its proper ſphere. The induſtry and commerce of a great country he endeavoured to regulate upon the ſame model as the departments of a publick office; and inſtead of allowing every man to purſue his own intereſt his own way, upon the liberal plan of equality, liberty and juſtice, he beſtowed upon certain branches of induſtry extraordinary privileges, while he laid others under as extraordinary reſtraints. He was not only diſpoſed, like other European miniſters, to encourage more the induſtry of the towns than that of the country, but in order to ſupport the induſtry of the towns, he was willing even to depreſs and keep down that of the country. In order to render proviſions cheap to the inhabitants of the towns, and thereby to encourage manufactures and foreign commerce, he prohibited altogether the exportation of corn, and thus excluded the inhabitants of the country from every foreign market for by far the moſt important part of the produce of their induſtry. This prohibition, joined to the reſtraints impoſed by the antient provincial laws of France upon the tranſportation of corn from one province to another, and to the arbitrary and degrading taxes which are levied upon the cultivators in almoſt all the provinces, diſcouraged and kept down the agriculture of that country very much below the ſtate to which it would naturally have riſen in ſo very fertile a ſoil and ſo very happy a climate. This ſtate of diſcouragement and depreſſion was felt more or leſs in every different part of the country, and many different enquiries were ſet on foot concerning the cauſes of it. One of thoſe cauſes

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appeared to be the preference given, by the inſtitutions of Mr. Colbert, to the induſtry of the towns above that of the country.

If the rod be bent too much one way, ſays the proverb, in order to make it ſtraight you muſt bend it as much the other. The French philoſophers, who have propoſed the ſyſtem which repreſents agriculture as the ſole ſource of the revenue and wealth of every country, ſeem to have adopted this proverbial maxim; and as in the plan of Mr. Colbert the induſtry of the towns was certainly over-valued in comparifon with that of the country; ſo in their ſyſtem it ſeems to be as certainly under-valued.

The different orders of people who have ever been ſuppoſed to contribute in any reſpect towards the annual produce of the land and labour of the country, they divide into three claſſes. The firſt is the claſs of the proprietors of land. The ſecond is the claſs of the cultivators, of farmers and country labourers, whom they honour with the peculiar appellation of the productive claſs. The third is the claſs of artificers, manufacturers and merchants, whom they endeavour to degrade by the humiliating appellation of the barren or unproductive claſs.

The claſs of proprietors contributes to the annual produce by the expence which they may occaſionally lay out upon the improvement of the land, upon the buildings, drains, encloſures and other ameliorations, which they may either make or maintain upon it, and by means of which the cultivators are enabled, with the ſame capital, to raiſe a greater produce, and conſequently to pay a greater rent. This advanced rent may be conſidered as the intereſt or profit due to the proprietor upon the expence or capital which he thus employs in the improvement of his land. Such expences are in this ſyſtem called ground expences (depenſes foncieres).

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The cultivators or farmers contribute to the annual produce by what are in this ſyſtem called the original and annual expences (depenſes primitives et depenſes annuelles) which they lay out upon the cultivation of the land. The original expences conſiſt in the inſtruments of huſbandry, in the ſtock of cattle, in the ſeed, and in the maintenance of the farmer's family, ſervants and cattle, during at leaſt a great part of the firſt year of his occupancy, or till he can receive ſome return from the land. The annual expences conſiſt in the ſeed, in the tear and wear of the inſtruments of huſbandry, and in the annual maintenance of the farmer's ſervants and cattle, and of his family too, ſo far as any part of them can be conſidered as ſervants employed in cultivation. That part of the produce of the land which remains to him after paying the rent, ought to be ſufficient, firſt, to replace to him within a reaſonable time, at leaſt during the term of his occupancy, the whole of his original expences, together with the ordinary profits of ſtock; and, ſecondly, to replace to him annually the whole of his annual expences, together likewiſe with the ordinary profits of ſtock. Thoſe two ſorts of expences are two capitals which the farmer employs in cultivation; and unleſs they are regularly reſtored to him, together with a reaſonable profit, he cannot carry on his employment upon a level with other employments; but, from a regard to his own intereſt, muſt deſert it as ſoon as poſſible, and ſeek ſome other employment. That part of the produce of the land which is thus neceſſary for enabling the farmer to continue his buſineſs, ought to be conſidered as a fund ſacred to cultivation, which if the landlord violates, he neceſſarily degrades the produce of his own land, and in a few years not only diſables the farmer from paying this racked rent, but from paying the reaſonable rent which he might otherwiſe have got for his land. The rent which properly belongs to the landlord, is no more than the neat produce which remains

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after paying in the compleateſt manner all the neceſſary expences which muſt be previouſly laid out in order to raiſe the groſs, or the whole produce. It is becauſe the labour of the cultivators, over and above paying compleatly all thoſe neceſſary expences, affords a neat produce of this kind, that this claſs of people are in this ſyſtem peculiarly diſtinguiſhed by the honourable appellation of the productive claſs. Their original and annual expences are for the ſame reaſon called, in this ſyſtem, productive expences, becauſe, over and above replacing their own value, they occaſion the annual reproduction of this neat produce.

THE ground expences, as they are called, or what the landlord lays out upon the improvement of his land, are in this ſyſtem too honoured with the appellation of productive expences. Till the whole of thoſe expences, together with the ordinary profits of ſtock, have been compleatly repaid to him by the advanced rent which he gets from his land, that advanced rent ought to be regarded as ſacred and inviolable, both by the church and by the king; ought to be ſubject neither to tithe nor to taxation. If it is otherwiſe, by diſcouraging the improvement of land, the church diſcourages the future increaſe of her own tithes, and the king the future increaſe of his own taxes. As in a well ordered ſtate of things, therefore, thoſe ground expences, over and above reproducing in the compleateſt manner their own value, occaſion likewiſe after a certain time a reproduction of a neat produce, they are in this ſyſtem conſidered as productive expences.

THE ground expences of the landlord, however, together with the original and the annual expences of the farmer, are the only three ſorts of expences which in this ſyſtem are conſidered as productive. All other expences and all other orders of people, even thoſe who in the common apprehenſions of men are regarded as the

the moſt productive, are in this account of things repreſented as altogether barren and unproductive. CHAP. VIII.

ARTIFICERS and manufacturers, in particular, whoſe induſtry, in the common apprehenſions of men, increaſes ſo much the value of the rude produce of land, are in this ſyſtem repreſented as a claſs of people altogether barren and unproductive. Their labour, it is ſaid, replaces only the ſtock which employs them, together with its ordinary profits. That ſtock conſiſts in the materials, tools, and wages, advanced to them by their employer; and is the fund deſtined for their employment and maintenance. Its profits are the fund deſtined for the maintenance of their employer. Their employer, as he advances to them the ſtock of materials, tools and wages neceſſary for their employment, ſo he advances to himſelf what is neceſſary for his own maintenance, and this maintenance he generally proportions to the profit which he expects to make by the price of their work. Unleſs its price repays to him the maintenance which he advances to himſelf, as well as the materials, tools and wages which he advances to his workmen, it evidently does not repay him the whole expence which he lays out upon it. The profits of manufacturing ſtock, therefore, are not, like the rent of land, a neat produce which remains after compleatly repaying the whole expence which muſt be laid out in order to obtain them. The ſtock of the farmer yields him a profit as well as that of the maſter manufacturer; and it yields a rent likewiſe to another perſon, which that of the maſter manufacturer does not. The expence, therefore, laid out in employing and maintaining artificers and manufacturers, does no more than continue, if one may ſay ſo, the exiſtence of its own value, and does not produce any new value. It is therefore altogether a barren and unproductive expence. The expence, on the contrary, laid out in employing farmers and country

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labourers, over and above continuing the exiſtence of its own value, produces a new value, the rent of the landlord. It is therefore a productive expence.

MERCANTILE ſtock is equally barren and unproductive with manufacturing ſtock. It only continues the exiſtence of its own value, without producing any new value. Its profits are only the repayment of the maintenance which its employer advances to himſelf during the time that he employs it, or till he receives the returns of it. They are only the repayment of a part of the expence which muſt be laid out in employing it.

THE labour of artificers and manufacturers never adds any thing to the value of the whole annual amount of the rude produce of the land. It adds indeed greatly to the value of ſome particular parts of it. But the conſumption which in the mean time it occaſions of other parts, is preciſely equal to the value which it adds to thoſe parts; ſo that the value of the whole amount is not, at any one moment of time, in the leaſt augmented by it. The perſon who works the lace of a pair of fine ruffles, for example, will ſometimes raiſe the value of perhaps a pennyworth of flax to thirty pounds ſterling. But though at firſt ſight he appears thereby to multiply the value of a part of the rude produce about ſeven thouſand and two hundred times, he in reality adds nothing to the value of the whole annual amount of the rude produce. The working of that lace coſts him perhaps two years labour. The thirty pounds which he gets for it when it is finiſhed, is no more than the repayment of the ſubſiſtence which he advances to himſelf during the two years that he is employed about it. The value which, by every day's, month's, or year's labour, he adds to the flax, does no more than replace the value of his own conſumption during that day, month, or year. At no moment of time, therefore, does he add

any thing to the value of the whole annual amount of the rude produce of the land: the portion of that produce which he is continually conſuming, being always equal to the value which he is continually producing. The extream poverty of the greater part of the perſons employed in this expenſive, though trifling manufacture, may ſatisfy us that the price of their work does not in ordinary caſes exceed the value of their ſubſiſtence. It is otherwiſe with the work of farmers and country labourers. The rent of the landlord is a value, which, in ordinary caſes, it is continually producing, over and above replacing, in the moſt compleat manner, the whole conſumption, the whole expence laid out upon the employment and maintenance both of the workmen and of their employer.

ARTIFICERS, manufacturers and merchants, can augment the revenue and wealth of their ſociety, by parſimony only; or, as it is expreſſed in this ſyſtem, by privation, that is, by depriving themſelves of a part of the funds deſtined for their own ſubſiſtence. They annually reproduce nothing but thoſe funds. Unleſs, therefore, they annually ſave ſome part of them, unleſs they annually deprive themſelves of the enjoyment of ſome part of them, the revenue and wealth of their ſociety can never be in the ſmalleſt degree augmented by means of their induſtry. Farmers and country labourers, on the contrary, may enjoy compleatly the whole funds deſtined for their own ſubſiſtence, and yet augment at the ſame time the revenue and wealth of their ſociety. Over and above the funds deſtined for their own ſubſiſtence, their induſtry annually affords a neat produce, of which the augmentation neceſſarily augments the revenue and wealth of their ſociety. Nations, therefore, which, like France or England, conſiſt in a great meaſure of proprietors and cultivators, can be enriched by induſtry and enjoyment. Nations, on the contrary, which, like Holland and Hamburgh, are compoſed chiefly of merchants, artificers and manufacturers, can grow rich only

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only through parſimony and privation. As the intereſt of nations ſo differently circumſtanced is very different, ſo is likewiſe the common character of the people. In thoſe of the former kind liberality, frankneſs, and good fellowſhip, naturally make a part of that common character. In the latter, narrowneſs, meanneſs, and a ſelfiſh diſpoſition, averſe to all ſocial pleaſure and enjoyment.

The unproductive claſs, that of merchants, artificers, and manufacturers, is maintained and employed altogether at the expence of the two other claſſes, of that of proprietors, and of that of cultivators. They furniſh it both with the materials of its work and with the fund of its ſubſiſtence, with the corn and cattle which it conſumes while it is employed about that work. The proprietors and cultivators finally pay both the wages of all the workmen of the unproductive claſs, and the profits of all their employers. Thoſe workmen and their employers are properly the ſervants of the proprietors and cultivators. They are only ſervants who work without doors, as menial ſervants work within. Both the one and the other, however, are equally maintained at the expence of the ſame maſters. The labour of both is equally unproductive. It adds nothing to the value of the ſum total of the rude produce of the land. Inſtead of increaſing the value of that ſum total, it is a charge and expence which muſt be paid out of it.

The unproductive claſs, however, is not only uſeful, but greatly uſeful to the other two claſſes. By means of the induſtry of merchants, artificers, and manufacturers, the proprietors and cultivators can purchaſe both the foreign goods and the manufactured produce of their own country which they have occaſion for, with the produce of a much ſmaller quantity of their own labour than what they would be obliged to employ if they were to attempt, in an aukward and unſkilful manner, either to import the one or to make

make the other for their own uſe. By means of the unproductive claſs, the cultivators are delivered from many cares which would otherwiſe diſtract their attention from the cultivation of land. The ſuperiority of produce which, in conſequence of this undivided attention, they are enabled to raiſe, is fully ſufficient to pay the whole expence which the maintenance and employment of the unproductive claſs coſts either the proprietors, or themſelves. The induſtry of merchants, artificers, and manufacturers, though in its own nature altogether unproductive, yet contributes in this manner indirectly to increaſe the produce of the land. It increaſes the productive powers of productive labour, by leaving it at liberty to confine itſelf to its proper employment, the cultivation of land; and the plough goes frequently the eaſier and the better by means of the labour of the man whoſe buſineſs is moſt remote from the plough.

It can never be the intereſt of the proprietors and cultivators to reſtrain or to diſcourage in any reſpect the induſtry of merchants, artificers and manufacturers. The greater the liberty which this unproductive claſs enjoys, the greater will be the competition in all the different trades which compoſe it, and the cheaper will the other two claſſes be ſupplied both with foreign goods, and with the manufactured produce of their own country.

It can never be the intereſt of the unproductive claſs to oppreſs the other two claſſes. It is the ſurplus produce of the land, or what remains after deducting the maintenance, firſt, of the cultivators, and afterwards of the proprietors, that maintains and employs the unproductive claſs. The greater this ſurplus the greater muſt likewiſe be its maintenance and employment. The eſtabliſhment of perfect juſtice, of perfect liberty, and of perfect equality, is the

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very ſimple ſecret which moſt effectually ſecures the higheſt degree of proſperity to all the three claſſes.

The merchants, artificers, and manufacturers of thoſe mercantile ſtates which, like Holland and Hamburgh, conſiſt chiefly of this unproductive claſs, are in the ſame manner maintained and employed altogether at the expence of the proprietors and cultivators of land. The only difference is, that thoſe proprietors and cultivators are, the greater part of them, placed at a moſt inconvenient diſtance from the merchants, artificers, and manufacturers whom they ſupply with the materials of their work and the fund of their ſubſiſtence, are the inhabitants of other countries, and the ſubjects of other governments.

Such mercantile ſtates, however, are not only uſeful, but greatly uſeful to the inhabitants of thoſe other countries. They fill up, in ſome meaſure, a very important void, and ſupply the place of the merchants, artificers and manufacturers, whom the inhabitants of thoſe countries ought to find at home, but whom, from ſome defect in their policy, they do not find at home.

It can never be the intereſt of thoſe landed nations, if I may call them ſo, to diſcourage or diſtreſs the induſtry of ſuch mercantile ſtates, by impoſing high duties upon their trade, or upon the commodities which they furniſh. Such duties, by rendering thoſe commodities dearer, could ſerve only to ſink the real value of the ſurplus produce of their own land, with which, or, what comes to the ſame thing, with the price of which thoſe commodities are purchaſed. Such duties could ſerve only to diſcourage the increaſe of that ſurplus produce, and conſequently the improvement and cultivation of their own land. The moſt effectual expedient, on the contrary, for raiſing the value of that ſurplus produce, for encouraging

encouraging its increaſe, and conſequently the improvement and cultivation of their own land, would be to allow the moſt perfect freedom to the trade of all ſuch mercantile nations.

This perfect freedom of trade would even be the moſt effectual expedient for ſupplying them, in due time, with all the artificers, manufacturers and merchants, whom they wanted at home, and for filling up in the propereſt and moſt advantageous manner that very important void which they felt there.

The continual increaſe of the ſurplus produce of their land, would, in due time, create a greater capital than what could be employed with the ordinary rate of profit in the improvement and cultivation of land; and the ſurplus part of it would naturally turn itſelf to the employment of artificers and manufacturers at home. But thoſe artificers and manufacturers, finding at home, both the materials of their work and the fund of their ſubſiſtence, might immediately, even with much leſs art and ſkill, be able to work as cheap as the like artificers and manufacturers of ſuch mercantile ſtates, who had both to bring from a great diſtance. Even though, from want of art and ſkill, they might not for ſome time be able to work as cheap, yet, finding a market at home, they might be able to ſell their work there as cheap as that of the artificers and manufacturers of ſuch mercantile ſtates, which could not be brought to that market but from ſo great a diſtance; and as their art and ſkill improved, they would ſoon be able to ſell it cheaper. The artificers and manufacturers of ſuch mercantile ſtates, therefore, would immediately be rivalled in the market of thoſe landed nations, and ſoon after underſold and juſtled out of it altogether. The cheapneſs of the manufactures of thoſe landed nations, in conſequence of the gradual improvements of art and ſkill, would, in due time, extend their ſale beyond the home market, and carry

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them to many foreign markets, from which they would in the ſame manner gradually juſtle out many of the manufactures of ſuch mercantile nations.

THIS continual increaſe both of the rude and manufactured produce of thoſe landed nations would in due time create a greater capital than could, with the ordinary rate of profit, be employed either in agriculture or in manufactures. The ſurplus of this capital would naturally turn itſelf to foreign trade, and be employed in exporting to foreign countries ſuch parts of the rude and manufactured produce of its own country as exceeded the demand of the home market. In the exportation of the produce of their own country, the merchants of a landed nation would have an advantage of the ſame kind over thoſe of mercantile nations, which its artificers and manufacturers had over the artificers and manufacturers of ſuch nations; the advantage of finding at home that cargo, and thoſe ſtores and proviſions, which the others were obliged to ſeek for at a diſtance. With inferior art and ſkill in navigation, therefore, they would be able to ſell that cargo as cheap in foreign markets as the merchants of ſuch mercantile nations; and with equal art and ſkill they would be able to ſell it cheaper. They would ſoon, therefore, rival thoſe mercantile nations in this branch of their foreign trade, and in due time would juſtle them out of it altogether.

ACCORDING to this liberal and generous ſyſtem, therefore, the moſt advantageous method in which a landed nation can raiſe up artificers, manufacturers and merchants of its own, is to grant the moſt perfect freedom of trade to the artificers, manufacturers and merchants of all other nations. It thereby raiſes the value of the ſurplus produce of its own land, of which the continual increaſe gradually eſtabliſhes a fund which in due time neceſſarily raiſes up all the artificers,

artificers, manufacturers and merchants whom it has occaſion for. CHAP. VIII.

When a landed nation, on the contrary, oppreſſes either by high duties or by prohibitions the trade of foreign nations, it neceſſarily hurts its own intereſt in two different ways. Firſt, by raiſing the price of all foreign goods and of all ſorts of manufactures, it neceſſarily ſinks the real value of the ſurplus produce of its own land, with which, or, what comes to the ſame thing, with the price of which it purchaſes thoſe foreign goods and manufactures. Secondly, by giving a ſort of monopoly of the home market to its own merchants, artificers and manufacturers, it raiſes the rate of mercantile and manufacturing profit in proportion to that of agricultural profit, and conſequently either draws from agriculture a part of the capital which had before been employed in it, or hinders from going to it a part of what would otherwiſe have gone to it. This policy, therefore, diſcourages agriculture in two different ways; firſt, by ſinking the real value of its produce, and thereby lowering the rate of its profit; and, ſecondly, by raiſing the rate of profit in all other employments. Agriculture is rendered leſs advantageous, and trade and manufactures more advantageous than they otherwiſe would be; and every man is tempted by his own intereſt to turn, as much as he can, both his capital and his induſtry from the former to the latter employments.

Though, by this oppreſſive policy, a landed nation ſhould be able to raiſe up artificers, manufacturers and merchants, of its own, ſomewhat ſooner than it could do by the freedom of trade; a matter, however, which is not a little doubtful; yet it would raiſe them up, if one may ſay ſo, prematurely, and before it was perfectly ripe for them. By raiſing up too haſtily one ſpecies of induſtry, it would depreſs another more valuable ſpecies of induſtry. By raiſing

up too haſtily a ſpecies of induſtry which only replaces the ſtock which employs it, together with the ordinary profit, it would depreſs a ſpecies of induſtry which, over and above replacing that ſtock with its profit, affords likewiſe a neat produce, a free rent to the landlord. It would depreſs productive labour, by encouraging too haſtily that labour which is altogether barren and unproductive.

In what manner, according to this ſyſtem, the ſum total of the annual produce of the land is diſtributed among the three claſſes abovementioned, and in what manner the labour of the unproductive claſs, does no more than replace the value of its own conſumption, without increaſing in any reſpect the value of that ſum total, is repreſented by Mr. Queſnai, the very ingenious and profound author of this ſyſtem, in ſome arithmetical formularies. The firſt of theſe formularies, which by way of eminence he peculiarly diſtinguiſhes by the name of the Oeconomical Table, repreſents the manner in which he ſuppoſes this diſtribution takes place, in a ſtate of the moſt perfect liberty, and therefore of the higheſt proſperity; in a ſtate where the annual produce is ſuch as to afford the greateſt poſſible neat produce, and where each claſs enjoys its proper ſhare of the whole annual produce. Some ſubſequent formularies repreſent the manner in which, he ſuppoſes, this diſtribution is made in different ſtates of reſtraint and regulation; in which, either the claſs of proprietors, or the barren and unproductive claſs, is more favoured than the claſs of cultivators, and in which either the one or the other encroaches more or leſs upon the ſhare which ought properly to belong to this productive claſs. Every ſuch encroachment, every violation of that natural diſtribution, which the moſt perfect liberty would eſtabliſh, muſt, according to this ſyſtem, neceſſarily degrade more or leſs from one year to another the value and ſum total of the annual produce, and muſt neceſſarily occaſion a gra-

a gradual declenſion in the real wealth and revenue of the ſociety; a declenſion of which the progreſs muſt be quicker or ſlower, according to the degree of this encroachment, according as that natural diſtribution, which the moſt perfect liberty would eſtabliſh, is more or leſs violated. Thoſe ſubſequent formularies repreſent the different degrees of declenſion, which, according to this ſyſtem, correſpond to the different degrees in which this natural diſtribution of things is violated.

Some ſpeculative phyſicians ſeem to have imagined that the health of the human body could be preſerved only by a certain preciſe regimen of diet and exerciſe, of which every the ſmalleſt violation neceſſarily occaſioned ſome degree of diſeaſe or diſorder proportioned to the degree of the violation. Experience, however, would ſeem to ſhow that the human body frequently preſerves, at leaſt to all appearance, the moſt perfect ſtate of health under a vaſt variety of different regimens; even under ſome which are generally believed to be very far from being perfectly wholeſome. But the healthful ſtate of the human body, it would ſeem, contains in itſelf ſome unknown principle of preſervation, capable either of preventing or of correcting, in many reſpects, the bad effects even of a very faulty regimen. Mr. Queſnai, who was himſelf a phyſician, and a very ſpeculative phyſician, ſeems to have entertained a notion of the ſame kind concerning the political body, and to have imagined that it would thrive and proſper only under a certain preciſe regimen, the exact regimen of perfect liberty and perfect juſtice. He ſeems not to have conſidered that in the political body, the natural effort which every man is continually making to better his own condition, is a principle of preſervation capable of preventing and correcting in many reſpects the bad effects of a political oeconomy in ſome degree both partial and oppreſſive. Such a political oeconomy, though it no doubt retards more or leſs,

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is not always capable of ſtopping altogether the natural progreſs of a nation towards wealth and proſperity, and ſtill leſs of making it go backwards. If a nation could not proſper without the enjoyment of perfect liberty and perfect juſtice, there is not in the world a nation which could ever have proſpered. In the political body, however, the wiſdom of nature has fortunately made ample proviſion for remedying many of the bad effects of the folly and injuſtice of man; in the ſame manner as it has done in the natural body for remedying thoſe of his ſloth and intemperance.

The capital error of this ſyſtem, however, ſeems to lie in its repreſenting the claſs of artificers, manufacturers and merchants, as altogether barren and unproductive. The following obſervations may ſerve to ſhow the impropriety of this repreſentation.

First, this claſs, it is acknowledged, reproduces annually the value of its own annual conſumption, and continues, at leaſt, the exiſtence of the ſtock or capital which maintains and employs it. But upon this account alone the denomination of barren or unproductive ſhould ſeem to be very improperly applied to it. We ſhould not call a marriage barren or unproductive, though it produced only a ſon and a daughter, to replace the father and mother, and though it did not increaſe the number of the human ſpecies, but only continued it as it was before. Farmers and country labourers, indeed, over and above the ſtock which maintains and employs them, reproduce annually a neat produce, a free rent to the landlord. As a marriage which affords three children is certainly more productive than one which affords only two; ſo the labour of farmers and country labourers is certainly more productive than that of merchants, artificers and manufacturers. The ſuperior

rior produce of the one claſs, however, does not render the other barren or unproductive. CHAP. VIII.

SECONDLY, it ſeems, upon this account, altogether improper to conſider artificers, manufacturers and merchants, in the ſame light as menial ſervants. The labour of menial ſervants does not continue the exiſtence of the fund which maintains and employs them. Their maintenance and employment is altogether at the expence of their maſters, and the work which they perform is not of a nature to repay that expence. That work conſiſts in ſervices which periſh generally in the very inſtant of their performance, and does not fix or realize itſelf in any vendible commodity which can replace the value of their wages and maintenance. The labour, on the contrary, of artificers, manufacturers and merchants, naturally does fix and realize itſelf in ſome ſuch vendible commodity. It is upon this account that, in the chapter in which I treat of productive and unproductive labour, I have claſſed artificers, manufacturers and merchants, among the productive labourers, and menial ſervants among the barren or unproductive.

THIRDLY, it ſeems, upon every ſuppoſition, improper to ſay, that the labour of artificers, manufacturers and merchants, does not increaſe the real revenue of the ſociety. Though we ſhould ſuppoſe, for example, as it ſeems to be ſuppoſed in this ſyſtem, that the value of the daily, monthly, and yearly conſumption of this claſs was exactly equal to that of its daily, monthly, and yearly production, yet it would not from thence follow that its labour added nothing to the real revenue, to the real value of the annual produce of the land and labour of the ſociety. An artificer, for example, who in the firſt ſix months after harveſt, executes ten pounds worth of work, though he ſhould in the ſame time conſume ten pounds worth of corn and other neceſſaries, yet really adds the value of ten pounds to the

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annual produce of the land and labour of the ſociety. While he has been conſuming a half yearly revenue of ten pounds worth of corn and other neceſſaries, he has produced an equal value of work capable of purchaſing, either to himſelf or to ſome other perſon, an equal half yearly revenue. The value, therefore, of what has been conſumed and produced during theſe ſix months is equal, not to ten, but to twenty pounds. It is poſſible, indeed, that no more than ten pounds worth of this value, may ever have exiſted at any one moment of time. But if the ten pounds worth of corn and other neceſſaries, which were conſumed by the artificer, had been conſumed by a ſoldier or by a menial ſervant, the value of that part of the annual produce which exiſted at the end of the ſix months, would have been ten pounds leſs than it actually is in conſequence of the labour of the artificer. Though the value of what the artificer produces, therefore, ſhould not at any one moment of time be ſuppoſed greater than the value he conſumes, yet at every moment of time the actually exiſting value of goods in the market is, in conſequence of what he produces, greater than it otherwiſe would be.

When the patrons of this ſyſtem aſſert that the conſumption of artificers, manufacturers and merchants, is equal to the value of what they produce, they probably mean no more than that their revenue, or the fund deſtined for their conſumption, is equal to it. But if they had expreſſed themſelves more accurately, and only aſſerted that the revenue of this claſs was equal to the value of what they produced, it might readily have occurred to the reader that what would naturally be ſaved out of this revenue, muſt neceſſarily increaſe more or leſs the real wealth of the ſociety. In order, therefore, to make out ſomething like an argument, it was neceſſary that they ſhould expreſs themſelves as they have done; and this argument, even ſuppoſing things actually were as it ſeems to preſume them to be, turns out to be a very inconcluſive one.

Fourthly,

FOURTHLY, farmers and country labourers can no more augment, without parſimony, the real revenue, the annual produce of the land and labour of their ſociety, than artificers, manufacturers and merchants. The annual produce of the land and labour of any ſociety can be augmented only in two ways; either, firſt, by ſome improvement in the productive powers of the uſeful labour actually maintained within it; or, ſecondly, by ſome increaſe in the quantity of that labour.

THE improvement in the productive powers of uſeful labour depend, firſt, upon the improvement in the ability of the workman; and, ſecondly, upon that of the machinery with which he works. But the labour of artificers and manufacturers, as it is capable of being more ſubdivided, and the labour of each workman reduced to a greater ſimplicity of operation than that of farmers and country labourers, ſo it is likewiſe capable of both theſe ſorts of improvement in a much higher degree. * In this reſpect, therefore, the claſs of cultivators can have no ſort of advantage over that of artificers and manufacturers.

THE increaſe in the quantity of uſeful labour actually employed within any ſociety, muſt depend altogether upon the increaſe of the capital which employs it; and the increaſe of that capital again muſt be exactly equal to the amount of the ſavings from the revenue either of the particular perſons who manage and direct the employment of that capital, or of ſome other perſons who lend it to them. If merchants, artificers and manufacturers are, as this ſyſtem ſeems to ſuppoſe, naturally more inclined to parſimony and ſaving than proprietors and cultivators, they are, ſo far, more likely to aug-

* See Book I. Chap. I.

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ment the quantity of useful labour employed within their society, and consequently to increase its real revenue, the annual produce of its land and labour.

Fifthly and lastly, though the revenue of the inhabitants of every country was supposed to consist altogether, as this system seems to suppose, in the quantity of subsistence which their industry could procure to them; yet, even upon this supposition, the revenue of a trading and manufacturing country must, other things being equal, always be much greater than that of one without trade or manufactures. By means of trade and manufactures, a greater quantity of subsistence can be annually imported into a particular country than what its own lands, in the actual state of their cultivation, could afford. The inhabitants of a town, though they frequently possess no lands of their own, yet draw to themselves by their industry such a quantity of the rude produce of the lands of other people as supplies them, not only with the materials of their work, but with the fund of their subsistence. What a town always is with regard to the country in its neighbourhood, one independent state or country may frequently be with regard to other independent states or countries. It is thus that Holland draws a great part of its subsistence from other countries; live cattle from Holstein and Jutland, and corn from almost all the different countries of Europe. A small quantity of manufactured produce purchases a great quantity of rude produce. A trading and manufacturing country, therefore, naturally purchases with a small part of its manufactured produce a great part of the rude produce of other countries; while, on the contrary, a country without trade and manufactures is generally obliged to purchase, at the expence of a great part of its rude produce, a very small part of the manufactured produce of other countries. The one exports what can subsist and accommodate but a very few, and imports the subsistence and accommodation of a great number. The other exports the accommodation and

and ſubſiſtence of a great number, and imports that of a very few only. The inhabitants of the one muſt always enjoy a much greater quantity of ſubſiſtence than what their own lands, in the actual ſtate of their cultivation, could afford. The inhabitants of the other muſt always enjoy a much ſmaller quantity.

THIS ſyſtem, however, with all its imperfections is, perhaps the neareſt approximation to the truth that has yet been publiſhed upon the ſubject of political oeconomy, and is upon that account well worth the conſideration of every man who wiſhes to examine with attention the principles of that very important ſcience. Though in repreſenting the labour which is employed upon land as the only productive labour, the notions which it inculcates are perhaps too narrow and confined; yet in repreſenting the wealth of nations as conſiſting, not in the unconſumable riches of money, but in the conſumable goods annually reproduced by the labour of the ſociety; and in repreſenting perfect liberty as the only effectual expedient for rendering this annual reproduction the greateſt poſſible, its doctrine ſeems to be in every reſpect as juſt as it is generous and liberal. Its followers are very numerous; and as men are fond of paradoxes, and of appearing to underſtand what ſurpaſſes the comprehenſion of ordinary people, the paradox which it maintains, concerning the unproductive nature of manufacturing labour, has not perhaps contributed a little to increaſe the number of its admirers. They have for ſome years paſt made a pretty conſiderable ſect, diſtinguiſhed in the French republick of letters by the name of, The Oeconomiſts. Their works have certainly been of ſome ſervice to their country; not only by bringing into general diſcuſſion, many ſubjects which had never been well examined before, but by influencing in ſome meaſure the publick adminiſtration in favour of agriculture. It has been in conſequence of their repreſentations, accordingly, that the agriculture of France has been delivered from ſeveral of the

oppreſ-

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oppreſſions which it before laboured under. The term during which ſuch a leaſe can be granted, as will be valid againſt every future purchaſer or proprietor of the land, has been prolonged from nine to twenty-ſeven years. The antient provincial reſtraints upon the tranſportation of corn from one province of the kingdom to another, have been entirely taken away, and the liberty of exporting it to all foreign countries, has been eſtabliſhed as the common law of the kingdom in all ordinary caſes. This ſect, in their works, which are very numerous, and which treat not only of what is properly called Political Oeconomy, or of the nature and cauſes of the wealth of nations, but of every other branch of the ſyſtem of civil government, all follow implicitly, and without any ſenſible variation, the doctrine of Mr. Queſnai. There is upon this account little variety in the greater part of their works. The moſt diſtinct and beſt connected account of this doctrine is to be found in a little book written by Mr. Mercier de la Riviere, ſometime Intendant of Martinico, intitled, The natural and eſſential Order of Political Societies. The admiration of this whole ſect for their maſter, who was himſelf a man of the greateſt modeſty and ſimplicity, is not inferior to that of any of the antient philoſophers for the founders of their reſpective ſyſtems. There have been, ſince the world began, ſays a very diligent and reſpectable author, the Marquis de Mirabeau, three great inventions which have principally given ſtability to political ſocieties, independent of many other inventions which have enriched and adorned them. The firſt is the invention of writing, which alone gives human nature the power of tranſmitting without alteration, its laws, its contracts, its annals, and its diſcoveries. The ſecond, is the invention of money, which binds together all the relations between civilized ſocieties. The third, is the Oeconomical Table, the reſult of the other two, which completes them both by perfecting their object; the great diſcovery of our age, but of which our poſterity will reap the benefit.

As the political oeconomy of the nations of modern Europe, has been more favourable to manufactures and foreign trade, the induſtry of the towns, than to agriculture, the induſtry of the country; ſo that of other nations has followed a different plan, and has been more favourable to agriculture than to manufactures and foreign trade.

The policy of China favours agriculture more than all other employments. In China, the condition of a labourer is ſaid to be as much ſuperior to that of an artificer; as in moſt parts of Europe, that of an artificer is to that of a labourer. In China, the great ambition of every man is to get poſſeſſion of ſome little bit of land, either in property or in leaſe; and leaſes are there ſaid to be granted upon very moderate terms, and to be ſufficiently ſecured to the leſſees. The Chineſe have little reſpect for foreign trade. Your beggarly commerce! was the language in which the Mandarins of Pekin uſed to talk to Mr. Langlet, the Ruſſian envoy, concerning it. Except with Japan, the Chineſe carry on themſelves and in their own bottoms little or no foreign trade; and it is only into one or two ports of their kingdom that they even admit the ſhips of foreign nations. Foreign trade, therefore, is, in China, every way confined within a much narrower circle than that to which it would naturally extend itſelf, if more freedom was allowed to it, either in their own ſhips, or in thoſe of foreign nations.

Manufactures, as in a ſmall bulk they frequently contain a great value, and can upon that account be tranſported at leſs expence from one country to another than moſt ſorts of rude produce, are in almoſt all countries the principal ſupport of foreign trade. In countries beſides leſs extenſive and leſs favourably circumſtanced for interior commerce than China, they generally require the ſupport of foreign trade. Without an extenſive foreign market, they

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they could not well flouriſh either in countries ſo moderately extenſive as to afford but a narrow home market; or in countries where the communication between one province and another was ſo difficult as to render it impoſſible for the goods of any particular place to enjoy the whole of that home market which the country could afford. The perfection of manufacturing induſtry, it muſt be remembered, depends altogether upon the diviſion of labour; and the degree to which the diviſion of labour can be introduced into any manufacture, is neceſſarily regulated, it has already been ſhown, by the extent of the market. But the great extent of the empire of China, the vaſt multitude of its inhabitants, the variety of climate, and conſequently of productions in its different provinces, and the eaſy communication by means of water carriage between the greater part of them, render the home market of that country of ſo great extent, as to be alone ſufficient to ſupport very great manufactures, and to admit of very conſiderable ſubdiviſions of labour. The home market of China is perhaps in extent not much inferior to the market of all the different countries of Europe put together. A more extenſive foreign trade, however, which to this great home market added the foreign market of all the reſt of the world; eſpecially if any conſiderable part of this trade was carried on in Chineſe ſhips; could ſcarce fail to increaſe very much the manufactures of China, and to improve very much the productive powers of its manufacturing induſtry. By a more extenſive navigation, the Chineſe would naturally learn the art of uſing and conſtructing themſelves all the different machines made uſe of in other countries, as well as all the other improvements of art and induſtry which are practiſed in all the different parts of the world. Upon their preſent plan they have little opportunity of improving themſelves by the example of any other nation; except that of the Japaneſe.

The policy of antient Egypt too and that of the Gentoo government of Indoſtan ſeem to have favoured agriculture more than all other employments.

Both in antient Egypt and in Indoſtan, the whole body of the people was divided into different caſts or tribes, each of which was confined, from father to ſon, to a particular employment or claſs of employments. The ſon of a prieſt was neceſſarily a prieſt; the ſon of a ſoldier, a ſoldier; the ſon of a labourer, a labourer; the ſon of a weaver, a weaver; the ſon of a taylor, a taylor; &c. In both countries, the caſt of the prieſts held the higheſt rank, and that of the ſoldiers the next; and in both countries, the caſt of the farmers and labourers was ſuperior to the caſts of merchants and manufacturers.

The government of both countries was particularly attentive to the intereſt of agriculture. The works conſtructed by the antient ſovereigns of Egypt for the proper diſtribution of the waters of the Nile were famous in antiquity; and the ruined remains of ſome of them are ſtill the admiration of travellers. Thoſe of the ſame kind which were conſtructed by the antient ſovereigns of Indoſtan, for the proper diſtribution of the waters of the Ganges as well as of many other rivers, though they have been leſs celebrated, ſeem to have been equally great. Both countries accordingly, though ſubject occaſionally to dearths, have been famous for their great fertility. Though both were extreamly populous, yet in years of moderate plenty they were both able to export great quantities of grain to their neighbours.

The antient Egyptians had a ſuperſtitious averſion to the ſea; and as the Gentoo religion does not permit its followers to light a fire, nor conſequently to dreſs any victuals upon the water, it in

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effect prohibits them from all diſtant ſea voyages. Both the Egyptians and Indians muſt have depended almoſt altogether upon the navigation of other nations for the exportation of their ſurplus produce; and this dependency, as it muſt have confined the market, ſo it muſt have diſcouraged the increaſe of this ſurplus produce. It muſt have diſcouraged too the increaſe of the manufactured produce more than that of the rude produce. Manufactures require a much more extenſive market than the moſt important parts of the rude produce of the land. A ſingle ſhoemaker will make more than three hundred pairs of ſhoes in the year; and his own family will not perhaps wear out ſix pairs. Unleſs therefore he has the cuſtom of at leaſt fifty ſuch families as his own, he cannot diſpoſe of the whole produce of his own labour. The moſt numerous claſs of artificers will ſeldom, in a large country, make more than one in fifty or one in a hundred of the whole number of families contained in it. But in ſuch large countries as France and England, the number of people employed in agriculture has by ſome authors been computed at a half, by others at a third, and by no author that I know of, at leſs than a fifth of the whole inhabitants of the country. But as the produce of the agriculture of both France and England is, the far greater part of it, conſumed at home, each perſon employed in it muſt, according to theſe computations, require little more than the cuſtom of one, two, or at moſt four ſuch families as his own, in order to diſpoſe of the whole produce of his own labour. Agriculture, therefore, can ſupport itſelf under the diſcouragement of a confined market, much better than manufactures. In both antient Egypt and Indoſtan, indeed, the confinement of the foreign market was in ſome meaſure compenſated by the conveniency of many inland navigations, which opened in the moſt advantageous manner the whole extent of the home market to every part of the produce of every different diſtrict of thoſe countries. The great extent of Indoſtan too rendered the home market of that country

country very great, and ſufficient to ſupport a great variety of manufactures. But the ſmall extent of antient Egypt, which was never equal to England, muſt at all times have rendered the home market of that country too narrow for ſupporting any great variety of manufactures. Bengal, accordingly, the province of Indoſtan which commonly exports the greateſt quantity of rice, has always been more remarkable for the exportation of a great variety of manufactures, than for that of its grain. Antient Egypt, on the contrary, though it exported ſome manufactures, fine linen in particular, as well as ſome other goods, was always moſt diſtinguiſhed for its great exportation of grain. It was long the granary of the Roman empire.

The ſovereigns of China, of ancient Egypt, and of the different kingdoms into which Indoſtan has at different times been divided, have always derived the whole, or by far the moſt conſiderable part, of their revenue from ſome ſort of land-tax or land-rent. This land-tax or land-rent, like the tithe in Europe, conſiſted in a certain proportion, a fifth, it is ſaid, of the produce of the land, which was either delivered in kind or paid in money, according to a certain valuation, and which therefore varied from year to year according to all the variations of the produce. It was natural, therefore, that the ſovereigns of thoſe countries ſhould be particularly attentive to the intereſts of agriculture, upon the proſperity or declenſion of which immediately depended the yearly increaſe or diminution of their own revenue.

The policy of the antient republicks of Greece, and that of Rome, though it honoured agriculture more than manufactures or foreign trade, yet ſeems rather to have diſcouraged the latter employments, than to have given any direct or intentional encouragement to the former. In ſeveral of the antient ſtates of Greece, foreign trade was prohibited altogether; and in ſeveral others the employ-

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ments of artificers and manufacturers were conſidered as hurtful to the ſtrength and agility of the human body, as rendering it incapable of thoſe habits which their military and gymnaſtic exerciſes endeavoured to form in it, and as thereby diſqualifying it more or leſs from undergoing the fatigues and encountering the dangers of war. Such occupations were conſidered as fit only for ſlaves, and the free citizens of the ſtate were prohibited from exerciſing them. Even in thoſe ſtates where no ſuch prohibition took place, as in Rome and Athens, the great body of the people were in effect excluded from all the trades which are now commonly exerciſed by the lower ſort of the inhabitants of towns. Such trades were at Athens and Rome all occupied by the ſlaves of the rich, who exerciſed them for the benefit of their maſters, whoſe wealth, power and protection, made it almoſt impoſſible for a poor freeman to find a market for his work when it came into competition with that of the ſlaves of the rich. Slaves, however, are very ſeldom inventive; and all the moſt important improvements, either in machinery, or in that arrangement and diſtribution of work which facilitate and abridge labour, have been the diſcoveries of freemen. Should a ſlave propoſe any improvement of this kind, his maſter would be very apt to conſider the propoſal as the ſuggeſtion of lazineſs, and of a deſire to ſave his own labour at the maſter's expence. The poor ſlave, inſtead of reward, would probably meet with much abuſe, perhaps with ſome puniſhment. In the manufactures carried on by ſlaves, therefore, more labour muſt generally have been employed to execute the ſame quantity of work than in thoſe carried on by freemen. The work of the former muſt, upon that account, generally have been dearer than that of the latter. The Hungarian mines, it is remarked by Mr. Monteſquieu, though not more rich, have always been wrought with leſs expence, and therefore with more profit, than the Turkiſh mines in their neighbourhood. The Turkiſh mines are wrought by ſlaves; and the arms of thoſe ſlaves are the only machines which the Turks have ever thought of employing. The Hungarian

mines

mines are wrought by freemen, who employ a good deal of machinery, by which they facilitate and abridge their own labour. From the very little that is known about the price of manufactures in the times of the Greeks and Romans, it would appear that thoſe of the finer ſort were exceſſively dear. Silk ſold for its weight in gold. It was not, indeed, in thoſe times a European manufacture; and as it was all brought from the Eaſt Indies, the diſtance of the carriage may in ſome meaſure account for the greatneſs of the price. The price, however, which a lady, it is ſaid, would ſometimes pay for a piece of very fine linen ſeems to have been equally extravagant; and as linen was always either a European, or, at fartheſt, an Egyptian manufacture, this high price can be accounted for only by the great expence of the labour which muſt have been employed about it, and the expence of this labour again could ariſe from nothing but the aukwardneſs of the machinery which it made uſe of. The price of fine woollens too, though not quite ſo extravagant, ſeems however to have been much above that of the preſent times. Some cloths, we are told by Pliny, dyed in a particular manner, coſt a hundred denarii, or three pounds ſix ſhillings and eight pence, the pound weight. Others dyed in another manner coſt a thouſand denarii the pound weight, or thirty-three pounds ſix ſhillings and eight pence. The Roman pound, it muſt be remembered, contained only twelve of our averdupois ounces. This high price, indeed, ſeems to have been principally owing to the dye. But had not the cloths themſelves been much dearer than any which are made in the preſent times, ſo very expenſive a dye would not probably have been beſtowed upon them. The diſproportion would have been too great between the value of the acceſſory and that of the principal. The price mentioned by the ſame author of ſome Triclinaria, a ſort of woollen pillows or cuſhions made uſe of to lean upon as they reclined upon their couches at table, paſſes all credibility; ſome of them being ſaid to have coſt more than thirty thouſand, others more than three hundred thouſand

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ſand pounds. This high price too is not ſaid to have ariſen from the dye. In the dreſs of the people of faſhion of both ſexes, there ſeems to have been much leſs variety, it is obſerved by Doctor Arbuthnot, in antient than in modern times; and the very little variety which we find in that of the antient ſtatues confirms his obſervation. He infers from this, that their dreſs muſt upon the whole have been cheaper than ours: but the concluſion does not ſeem to follow. When the expence of faſhionable dreſs is very great, the variety muſt be very ſmall. But when, by the improvements in the productive powers of manufacturing art and induſtry, the expence of any one dreſs comes to be very moderate, the variety will naturally be very great. The rich, not being able to diſtinguiſh themſelves by the expence of any one dreſs, will naturally endeavour to do ſo by the multitude and variety of their dreſſes.

THE greateſt and moſt important branch of the commerce of every nation, it has already been obſerved, is that which is carried on between the inhabitants of the town and thoſe of the country. The inhabitants of the town draw from the country the rude produce which conſtitutes both the materials of their work and the fund of their ſubſiſtence; and they pay for this rude produce by ſending back to the country a certain portion of it manufactured and prepared for immediate uſe. The trade which is carried on between thoſe two different ſets of people conſiſts ultimately in a certain quantity of rude produce exchanged for a certain quantity of manufactured produce. The dearer the latter, therefore, the cheaper the former; and whatever tends in any country to raiſe the price of manufactured produce, tends to lower that of the rude produce of the land, and thereby to diſcourage agriculture. The ſmaller the quantity of manufactured produce which any given quantity of rude produce, or, what comes to the ſame thing, which the price of any given quantity of rude produce is capable of purchaſing, the ſmaller the real value of that given

quantity of rude produce; the ſmaller the encouragement which either the landlord has to increaſe its quantity by improving, or the farmer by cultivating the land. Whatever, beſides, tends to diminiſh in any country the number of artificers and manufacturers, tends to diminiſh the home market, the moſt important of all markets, for the rude produce of the land, and thereby ſtill further to diſcourage agriculture.

Those ſyſtems, therefore, which preferring agriculture to all other employments, in order to promote it impoſe reſtraints upon manufactures and foreign trade, act contrary to the very end which they propoſe, and indirectly diſcourage that very ſpecies of induſtry which they mean to promote. They are ſo far, perhaps, more inconſiſtent than even the mercantile ſyſtem. That ſyſtem, by encouraging manufactures and foreign trade more than agriculture, turns a certain portion of the capital of the ſociety from ſupporting a more advantageous, to ſupport a leſs advantageous ſpecies of induſtry. But ſtill it really and in the end encourages that ſpecies of induſtry which it means to promote. Thoſe agricultural ſyſtems, on the contrary, really and in the end diſcourage their own favourite ſpecies of induſtry.

It is thus that every ſyſtem which endeavours, either by extraordinary encouragements, to draw towards a particular ſpecies of induſtry a greater ſhare of the capital of the ſociety than what would naturally go to it; or, by extraordinary reſtraints, to force from a particular ſpecies of induſtry ſome ſhare of the capital which would otherwiſe be employed in it; is in reality ſubverſive of the great purpoſe which it means to promote. It retards, inſtead of accelerating, the progreſs of the ſociety towards real wealth and greatneſs; and diminiſhes, inſtead of increaſing, the real value of the annual produce of its land and labour.

All

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All ſyſtems either of preference or of reſtraint, therefore, being thus completely taken away, the obvious and ſimple ſyſtem of natural liberty eſtabliſhes itſelf of its own accord. Every man, as long as he does not violate the laws of juſtice, is left perfectly free to purſue his own intereſt his own way, and to bring both his induſtry and capital into competition with thoſe of any other man or order of men. The ſovereign is completely diſcharged from a duty, in the attempting to perform which he muſt always be expoſed to innumerable deluſions, and for the proper performance of which no human wiſdom or knowledge could ever be ſufficient; the duty of ſuper-intending the induſtry of private people, and of directing it towards the employments moſt ſuitable to the intereſt of the ſociety. According to the ſyſtem of natural liberty, the ſovereign has only three duties to attend to; three duties of great importance, indeed, but plain and intelligible to common underſtandings: firſt, the duty of protecting the ſociety from the violence and invaſion of other independent ſocieties; ſecondly, the duty of protecting, as far as poſſible, every member of the ſociety from the injuſtice or oppreſſion of every other member of it, or the duty of eſtabliſhing an exact adminiſtration of juſtice; and, thirdly, the duty of erecting and maintaining certain publick works and certain publick inſtitutions, which it can never be for the intereſt of any individual, or ſmall number of individuals, to erect and maintain; becauſe the profit could never repay the expence to any individual or ſmall number of individuals, though it may frequently do much more than repay it to a great ſociety.

The proper performance of thoſe ſeveral duties of the ſovereign neceſſarily ſuppoſes a certain expence; and this expence again neceſſarily requires a certain revenue to ſupport it. In the following book, therefore, I ſhall endeavour to explain; firſt, what are the neceſſary expences of the ſovereign or common-wealth; and which of

of thoſe expences ought to be defrayed by the general contribution of the whole ſociety; and which of them, by that of ſome particular part only, or of ſome particular members of the ſociety: ſecondly, what are the different methods in which the whole ſociety may be made to contribute towards defraying the expences incumbent on the whole ſociety, and what are the principal advantages and inconveniences of each of thoſe methods: and, thirdly, what are the reaſons and cauſes which have induced almoſt all modern governments to mortgage ſome part of this revenue, or to contract debts, and what have been the effects of thoſe debts upon the real wealth, the annual produce of the land and labour of the ſociety. The following book, therefore, will naturally be divided into three chapters.

BOOK V.

Of the Revenue of the Sovereign or Commonwealth.

CHAP. I.

Of the Expences of the Sovereign or Commonwealth.

PART FIRST.

Of the Expence of Defence.

THE firſt duty of the ſovereign, that of protecting the ſociety from the violence and invaſion of other independent ſocieties, can be performed only by means of a military force. But the expence both of preparing this military force in time of peace, and of employing it in time of war, is very different in the different ſtates of ſociety, in the different periods of improvement. CHAP. I.

AMONG nations of hunters, the loweſt and rudeſt ſtate of ſociety, ſuch as we find it among the native tribes of North America, every man is a warrior as well as a hunter. When he goes to war, either to defend his ſociety, or to revenge the injuries which have been done to it by other ſocieties, he maintains himſelf by his own labour in the ſame manner as when he lives at home. His ſociety, for in this ſtate of things there is properly neither ſovereign nor commonwealth, is at no ſort of expence, either to prepare him for the field, or to maintain him while he is in it.

BOOK V.

Among nations of ſhepherds, a more advanced ſtate of ſociety, ſuch as we find it among the Tartars and Arabs, every man is, in the ſame manner, a warrior. Such nations have commonly no fixed habitation, but live either in tents or in a ſort of covered waggons which are eaſily tranſported from place to place. The whole tribe or nation changes its ſituation according to the different ſeaſons of the year, as well as according to other accidents. When its herds and flocks have conſumed the forage of one part of the country, it removes to another, and from that to a third. In the dry ſeaſon, it comes down to the banks of the rivers; in the wet ſeaſon it retires to the upper country. When ſuch a nation goes to war, the warriors will not truſt their herds and flocks to the feeble defence of their old men, their women and children; and their old men, their women and children, will not be left behind without defence and without ſubſiſtence. The whole nation, beſides, being accuſtomed to a wandering life, even in time of peace, eaſily takes the field in time of war. Whether it marches as an army, or moves about as a company of herdſmen, the way of life is nearly the ſame, though the object propoſed by it is very different. They all go to war together, therefore, and every one does as well as he can. Among the Tartars, even the women have been frequently known to engage in battle. If they conquer, whatever belongs to the hoſtile tribe is the recompence of the victory. But if they are vanquiſhed, all is loſt, and not only their herds and flocks, but their women and children become the booty of the conqueror. Even the greater part of thoſe who ſurvive the action are obliged to ſubmit to him for the ſake of immediate ſubſiſtence. The reſt are commonly diſſipated and diſperſed in the deſart.

The ordinary life, the ordinary exerciſes of a Tartar or Arab, prepare him ſufficiently for war. Running, wreſtling, cudgel-playing, throwing the javeling, drawing the bow, &c. are the common

paſtimes of thoſe who live in the open air, and are all of them the images of war. When a Tartar or Arab actually goes to war, he is maintained by his own herds and flocks which he carries with him, in the ſame manner as in peace. His chief or ſovereign, for thoſe nations have all chiefs or ſovereigns, is at no ſort of expence in preparing him for the field; and when he is in it, the chance of plunder is the only pay which he either expects or requires.

An army of hunters can ſeldom exceed two or three hundred men. The precarious ſubſiſtence which the chace affords could ſeldom allow a greater number to keep together for any conſiderable time. An army of ſhepherds, on the contrary, may ſometimes amount to two or three hundred thouſand. As long as nothing ſtops their progreſs, as long as they can go on from one diſtrict, of which they have conſumed the forage, to another which is yet entire; there ſeems to be ſcarce any limit to the number who can march on together. A nation of hunters can never be formidable to the civilized nations in their neighbourhood. A nation of ſhepherds may. Nothing can be more contemptible than an Indian war in North America. Nothing, on the contrary, can be more dreadful than a Tartar invaſion has frequently been in Aſia. The judgement of Thucidides, that both Europe and Aſia could not reſiſt the Scythians united, has been verified by the experience of all ages. The inhabitants of the extenſive, but defenceleſs plains of Scythia or Tartary, have been frequently united under the dominion of the chief of ſome conquering horde or clan; and the havock and devaſtation of Aſia have always ſignalized their union. The inhabitants of the inhoſpitable deſarts of Arabia, the other great nation of ſhepherds, have never been united but once; under Mahomet and his immediate ſucceſſors. Their union, which was more the effect of religious enthuſiaſm than of conqueſt, was ſignalized in the ſame manner. If the hunting nations of America

ſhould

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ſhould ever become ſhepherds, their neighbourhood would be much more dangerous to the European colonies than it is at preſent.

In a yet more advanced ſtate of ſociety, among thoſe nations of huſbandmen who have little foreign commerce and no other manufactures but thoſe coarſe and houſhold ones which almoſt every private family prepares for its own uſe, every man, in the ſame manner, either is a warrior or eaſily becomes ſuch. They who live by agriculture generally paſs the whole day in the open air, expoſed to all the inclemencies of the ſeaſons. The hardineſs of their ordinary life prepares them for the fatigues of war, to ſome of which their neceſſary occupations bear a good deal of analogy. The neceſſary occupation of a ditcher prepares him to work in the trenches, and to fortify a camp as well as to encloſe a field. The ordinary paſtimes of ſuch huſbandmen are the ſame as thoſe of ſhepherds, and are in the ſame manner the images of war. But as huſbandmen have leſs leiſure than ſhepherds, they are not ſo frequently employed in thoſe paſtimes. They are ſoldiers, but ſoldiers not quite ſo much maſters of their exerciſe. Such as they are, however, it ſeldom coſts the ſovereign or commonwealth any expence to prepare them for the field.

Agriculture, even in its rudeſt and loweſt ſtate, ſuppoſes a ſettlement; ſome ſort of fixed habitation which cannot be abandoned without great loſs. When a nation of mere huſbandmen, therefore, goes to war, the whole people cannot take the field together. The old men, the women and children, at leaſt muſt remain at home to take care of the habitation. All the men of the military age, however, may take the field, and in ſmall nations of this kind have frequently done ſo. In every nation the men of the military age are ſuppoſed to amount to about a fourth or fifth part of the whole body of the people. If the campaign too ſhould begin after ſeed-time

time and end before harveſt, both the huſbandman and his principal labourers can be ſpared from the farm without much loſs. He truſts that the work which muſt be done in the meantime can be well enough executed by the old men, the women and the children. He is not unwilling, therefore, to ſerve without pay during ſo ſhort a campaign, and it frequently coſts the ſovereign or commonwealth as little to maintain him in the field as to prepare him for it. The citizens of all the different ſtates of antient Greece ſeem to have ſerved in this manner till after the ſecond Perſian war; and the people of Peloponeſus till after the Peloponeſian war. The Peloponeſians, Thucidides obſerves, generally left the field in the ſummer and returned home to reap the harveſt. The Roman people under their kings and during the firſt ages of the republick ſerved in the ſame manner. It was not till the ſiege of Veii, that they who ſtaid at home began to contribute ſomething towards maintaining thoſe who went to war. In the European monarchies which were founded upon the ruins of the Roman empire, both before and for ſome time after the eſtabliſhment of what is properly called the feudal law, the great lords with all their immediate dependents uſed to ſerve the crown at their own expence. In the field, in the ſame manner as at home, they maintained themſelves by their own revenue, and not by any ſtipend or pay which they received from the king upon that particular occaſion.

In a more advanced ſtate of ſociety, two different cauſes contribute to render it altogether impoſſible that they who take the field ſhould maintain themſelves at their own expence. Thoſe two cauſes are, the progreſs of manufactures, and the improvement in the art of war.

Though a huſbandman ſhould be employed in an expedition, provided it begins after ſeed time and ends before harveſt, the interruption

ruption of his buſineſs will not always occaſion any conſiderable diminution of his revenue. Without the intervention of his labour, nature does herſelf the greater part of the work which remains to be done. But the moment that an artificer, a ſmith, a carpenter, or a weaver, for example, quits his workhouſe, the ſole ſource of his revenue is completely dried up. Nature does nothing for him, he does all for himſelf. When he takes the field, therefore, in defence of the publick, as he has no revenue to maintain himſelf, he muſt neceſſarily be maintained by the publick. But in a country of which a great part of the inhabitants are artificers and manufacturers, a great part of the people who go to war muſt be drawn from thoſe claſſes, and muſt therefore be maintained by the publick as long as they are employed in its ſervice.

When the art of war too has gradually grown up to be a very intricate and complicated ſcience, when the event of war ceaſes to be determined, as in the firſt ages of ſociety, by a ſingle irregular ſkirmiſh or battle, but when the conteſt is generally ſpun out through ſeveral different campaigns, each of which laſts during the greater part of the year; it becomes univerſally neceſſary that the publick ſhould maintain thoſe who ſerve the publick in war, at leaſt while they are employed in that ſervice. Whatever in time of peace might be the ordinary occupation of thoſe who go to war, ſo very tedious and expenſive a ſervice would otherwiſe be by far too heavy a burden upon them. After the ſecond Perſian war, accordingly, the armies of Athens ſeem to have been generally compoſed of mercenary troops; conſiſting indeed partly of citizens, but partly too of foreigners; and all of them equally hired and paid at the expence of the ſtate. From the time of the ſeige of Veii the armies of Rome received pay for their ſervice during the time which they remained in the field. Under the feudal governments the military ſervice both of the great lords and of their immediate dependents

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was, after a certain period, univerſally exchanged for a payment in money, which was employed to maintain thoſe who ſerved in their ſtead.

The number of thoſe who can go to war, in proportion to the whole number of the people, is neceſſarily much ſmaller in a civilized than in a rude ſtate of ſociety. In a civilized ſociety, as the ſoldiers are maintained altogether by the labour of thoſe who are not ſoldiers, the number of the former never can exceed what the latter can maintain, over and above maintaining in a manner ſuitable to their reſpective ſtations both themſelves and the other officers of government, and law, whom they are obliged to maintain. In the little Agrarian ſtates of antient Greece, a fourth or a fifth part of the whole body of the people conſidered themſelves as ſoldiers, and would ſometimes, it is ſaid, take the field. Among the civilized nations of modern Europe, it is commonly computed, that not more than one hundredth part of the inhabitants of any country can be employed as ſoldiers, without ruin to the country at whoſe expence they are employed.

The expence of preparing the army for the field ſeems not to have become conſiderable in any nation, till long after that of maintaining it in the field had devolved entirely upon the ſovereign or commonwealth. In all the different republicks of antient Greece, to learn his military exerciſes was a neceſſary part of education impoſed by the ſtate upon every free citizen. In every city there ſeems to have been a publick field, in which, under the protection of the publick magiſtrate, the young people were taught their different exerciſes by different maſters. In this very ſimple inſtitution conſiſted the whole expence which any Grecian ſtate ſeems ever to have been at in preparing its citizens for war. In antient Rome the exerciſes of the Campus Martius anſwered the

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ſame purpoſe with thoſe of the Gymnaſium in antient Greece. Under the feudal governments, the many publick ordinances that the citizens of every diſtrict ſhould practiſe archery as well as ſeveral other military exerciſes, were intended for promoting the ſame purpoſe, but do not ſeem to have promoted it ſo well. Either from want of intereſt in the officers entruſted with the execution of thoſe ordinances, or from ſome other cauſe, they appear to have been univerſally neglected; and in the progreſs of all thoſe governments, military exerciſes ſeem to have gone gradually into diſuſe among the great body of the people.

In the republicks of antient Greece and Rome, during the whole period of their exiſtence, and under the feudal governments for a conſiderable time after their firſt eſtabliſhment, the trade of a ſoldier was not a ſeparate diſtinct trade which conſtituted the ſole or principal occupation of a particular claſs of citizens. Every ſubject of the ſtate, whatever might be the ordinary trade or occupation by which he gained his livelihood, conſidered himſelf upon all ordinary occaſions as fit likewiſe to exerciſe the trade of a ſoldier, and upon many extraordinary occaſions as bound to exerciſe it.

The art of war, however, as it is certainly the nobleſt of all arts, ſo in the progreſs of improvement it neceſſarily becomes one of the moſt complicated among them. The ſtate of the mechanical, as well as of ſome other arts with which it is neceſſarily connected, determines the degree of perfection to which it is capable of being carried at any particular time. But in order to carry it to this degree of perfection, it is neceſſary that it ſhould become the ſole or principal occupation of a particular claſs of citizens, and the diviſion of labour is as neceſſary for the improvement of this as of every other art. Into other arts the diviſion of labour is naturally introduced by the prudence of individuals, who find that they promote

promote their private intereſt better by confining themſelves to a particular trade, than by exerciſing a great number. But it is the wiſdom of the ſtate only which can render the trade of a ſoldier a particular trade ſeparate and diſtinct from all others. A private citizen who, in time of profound peace and without any particular encouragement from the publick, ſhould ſpend the greater part of his time in military exerciſes, might, no doubt, both improve himſelf very much in them, and amuſe himſelf very well; but he certainly would not promote his own intereſt. It is the wiſdom of the ſtate only which can render it for his intereſt to give up the greater part of his time to this peculiar occupation: and ſtates have not always had this wiſdom, even when their circumſtances had become ſuch that the preſervation of their exiſtence required that they ſhould have it.

A SHEPHERD has a great deal of leiſure; a huſbandman, in the rude ſtate of huſbandry, has ſome; an artificer or manufacturer has none at all. The firſt may, without any loſs, employ a great deal of his time in martial exerciſes; the ſecond may employ ſome part of it; but the laſt cannot employ a ſingle hour in them without ſome loſs, and his attention to his own intereſt naturally leads him to neglect them altogether. Thoſe improvements in huſbandry too, which the progreſs of arts and manufactures neceſſarily introduces, leave the huſbandman as little leiſure as the artificer. Military exerciſes come to be as much neglected by the inhabitants of the country as by thoſe of the town, and the great body of the people becomes altogether unwarlike. That wealth, at the ſame time, which always follows the improvements of agriculture and manufactures, and which in reality is no more than the accumulated produce of thoſe improvements, provokes the invaſion of all their neighbours. An induſtrious, and upon that account, a wealthy nation, is of all nations the moſt likely to be attacked; and unleſs the ſtate

BOOK V. takes ſome new meaſures for the publick defence, the natural habits of the people render them altogether incapable of defending themſelves.

In theſe circumſtances there ſeem to be but two methods by which the ſtate can make any tolerable proviſion for the publick defence.

It may either, firſt, by means of a very rigorous police, and in ſpite of the whole bent of the intereſt, genius and inclinations of the people, enforce the practice of military exerciſes, and oblige either all the citizens of the military age, or a certain number of them, to join in ſome meaſure the trade of a ſoldier to whatever other trade or profeſſion they may happen to carry on.

Or, ſecondly, by maintaining and employing a certain number of citizens in the conſtant practice of military exerciſes, it may render the trade of a ſoldier a particular trade, ſeparate and diſtinct from all others.

If the ſtate has recourſe to the firſt of thoſe two expedients, its military force is ſaid to conſiſt in a militia; if to the ſecond, it is ſaid to conſiſt in a ſtanding army. The practice of military exerciſes is the ſole or principal occupation of the ſoldiers of a ſtanding army, and the maintenance or pay which the ſtate affords them is the principal and ordinary fund of their ſubſiſtence. The practice of military exerciſes is only the occaſional occupation of the ſoldiers of a militia, and they derive the principal and ordinary fund of their ſubſiſtence from ſome other occupation. In a militia, the character of the labourer, artificer or tradeſman, predominates over that of the ſoldier: in a ſtanding army, that of the ſoldier predominates over every other character; and in this diſtinction ſeems to conſiſt

the eſſential difference between thoſe two different ſpecies of military force.

MILITIAS have been of ſeveral different kinds. In ſome countries the citizens deſtined for defending the ſtate, ſeem to have been exerciſed only, without being, if I may ſay ſo, regimented; that is, without being divided into ſeparate and diſtinct bodies of troops, each of which performed its exerciſes under its own proper and permanent officers. In the republicks of antient Greece and Rome each citizen, as long as he remained at home, ſeems to have practiſed his exerciſes either ſeparately and independently, or with ſuch of his equals as he liked beſt; and not to have been attached to any particular body of troops till he was actually called upon to take the field. In other countries, the militia has not only been exerciſed, but regimented. In England, in Switzerland, and, I believe, in every other country of modern Europe, where any imperfect military force of this kind has been eſtabliſhed, every militia-man is, even in time of peace, attached to a particular body of troops, which performs its exerciſes under its own proper and permanent officers.

BEFORE the invention of fire-arms, that army was ſuperior in which the ſoldiers had, each individually, the greateſt ſkill and dexterity in the uſe of their arms. Strength and agility of body were of the higheſt conſequence, and commonly determined the fate of battles. But this ſkill and dexterity in the uſe of their arms, could be acquired only in the ſame manner as fencing is acquired at preſent, by practiſing, not in great bodies, but each man ſeparately, in a particular ſchool under a particular maſter, or with his own particular equals and companions. Since the invention of fire-arms, ſtrength and agility of body, or even extraordinary dexterity and ſkill in the uſe of arms, though they are far from being of no conſequence, are, however, of leſs conſequence. The nature of the weapon, though

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it by no means puts the awkward upon a level with the ſkilful, puts him more nearly ſo than he ever was before. All the dexterity and ſkill, it is ſuppoſed, which are neceſſary for uſing it, can be well enough acquired by practiſing in great bodies.

REGULARITY, order, and prompt obedience to command, are qualities which, in modern armies, are of more importance towards determining the fate of battles than the dexterity and ſkill of the ſoldiers in the uſe of their arms. But the noiſe of fire-arms, the ſmoke, and the inviſible death to which every man feels himſelf every moment expoſed, as ſoon as he comes within cannon-ſhot, and frequently a long time before the battle can be well ſaid to be engaged, muſt render it very difficult to maintain any conſiderable degree of this regularity, order, and prompt obedience, even in the beginning of a modern battle. In an antient battle there was no noiſe but what aroſe from the human voice; there was no ſmoke, there was no inviſible cauſe of wounds or death. Every man, till ſome mortal weapon actually did approach him, ſaw clearly that no ſuch weapon was near him. In theſe circumſtances, and among troops who had ſome confidence in their own ſkill and dexterity in the uſe of their arms, it muſt have been a good deal leſs difficult to preſerve ſome degree of regularity and order, not only in the beginning, but through the whole progreſs of an antient battle, and till one of the two armies was fairly defeated. But the habits of regularity, order, and prompt obedience to command, can be acquired only by troops which are exerciſed in great bodies.

A MILITIA, however, in whatever manner it may be either diſciplined or exerciſed, muſt always be much inferior to a well diſciplined and well exerciſed ſtanding army.

THE ſoldiers, who are exerciſed only once a week or once a month, can never be ſo expert in the uſe of their arms, as thoſe who

who are exerciſed every day or every other day; and though this circumſtance may not be of ſo much conſequence in modern, as it was in antient times; yet the acknowledged ſuperiority of the Pruſſian troops, owing, it is ſaid, very much to their ſuperior expertneſs in their exerciſe, may ſatisfy us that it is, even at this day, of very conſiderable conſequence.

The ſoldiers, who are bound to obey their officer only once a week or once a month, and who are at all other times at liberty to manage their own affairs their own way, without being in any reſpect accountable to him, can never be under the ſame awe in his preſence, can never have the ſame diſpoſition to ready obedience, with thoſe whoſe whole life and conduct are every day directed by him, and who every day even riſe and go to bed, or at leaſt retire to their quarters, according to his orders. In what is called diſcipline, or in the habit of ready obedience, a militia muſt always be ſtill more inferior to a ſtanding army, than it may ſometimes be in what is called the manual exerciſe, or in the management and uſe of its arms. But in modern war the habit of ready and inſtant obedience is of much greater conſequence than a conſiderable ſuperiority in the management of arms.

Thoſe militias which, like the Tartar or Arab militia, go to war under the ſame chieftains whom they are accuſtomed to obey in peace, are by far the beſt. In reſpect for their officers, in the habit of ready obedience, they approach neareſt to ſtanding armies. The highland militia, when it ſerved under its own chieftains, had ſome advantage of the ſame kind. As the highlanders, however, were not wandering, but ſtationary ſhepherds, as they had all a fixed habitation, and were not, in peaceable times, accuſtomed to follow their chieftain from place to place; ſo in time of war they were leſs willing to follow him to any conſiderable diſtance, or to continue for any long time in the field. When they had acquired any booty they

they were eager to return home, and his authority was ſeldom ſufficient to detain them. In point of obedience they were always much inferior to what is reported of the Tartars and Arabs. As the highlanders too, from their ſtationary life, ſpend leſs of their time in the open air, they were always leſs accuſtomed to military exerciſes, and were leſs expert in the uſe of their arms than the Tartars and Arabs are ſaid to be.

A MILITIA of any kind, it muſt be obſerved, however, which has ſerved for ſeveral ſucceſſive campaigns in the field, becomes in every reſpect a ſtanding army. The ſoldiers are every day exerciſed in the uſe of their arms, and, being conſtantly under the command of their officers, are habituated to the ſame prompt obedience which takes place in ſtanding armies. What they were before they took the field, is of little importance. They neceſſarily become in every reſpect a ſtanding army, after they have paſſed a few campaigns in it. Should the war in America drag out through another campaign, the American militia may become in every reſpect a match for that ſtanding army, of which, in the laſt war, the valour appeared at leaſt not inferior to that of the hardieſt veterans of France and Spain.

THIS diſtinction being well underſtood, the hiſtory of all ages, it will be found, bears teſtimony to the irreſiſtible ſuperiority which a well regulated ſtanding army has over every ſort of militia.

ONE of the firſt ſtanding armies of which we have any diſtinct account, in any well authenticated hiſtory, is that of Philip of Macedon. His frequent wars with the Thracians, Illyrians, Theſſalians, and ſome of the Greek cities in the neighbourhood of Macedon, gradually formed his troops, which in the beginning were probably militia, to the exact diſcipline of a ſtanding army. When he was at peace, which he was very ſeldom, and never for any long

long time together, he was careful not to diſband that army. It vanquiſhed and ſubdued, after a long and violent ſtruggle indeed, the galant and well exerciſed militias of the principal republicks of antient Greece; and afterwards, with very little ſtruggle, the effeminate and ill exerciſed militia of the great Perſian empire. The fall of the Greek republicks and of the Perſian empire, was the effect of the irreſiſtable ſuperiority which a ſtanding army has over every ſort of militia. It is the firſt great revolution in the affairs of mankind of which hiſtory has preſerved any diſtinct or circumſtantial account.

The fall of Carthage, and the conſequent elevation of Rome, is the ſecond. All the varieties in the fortune of thoſe two famous republicks may very well be accounted for from the ſame cauſe.

From the end of the firſt to the beginning of the ſecond Carthaginian war, the armies of Carthage were continually in the field, and employed under three great generals, who ſucceeded one another in the command; Amilcar, his ſon in law Aſdrubal, and his ſon Annibal; firſt in chaſtiſing their own rebellious ſlaves, afterwards in ſubduing the revolted nations of Africa, and, laſtly, in conquering the great kingdom of Spain. The army which Annibal led from Spain into Italy muſt neceſſarily, in thoſe different wars, have been gradually formed to the exact diſcipline of a ſtanding army. The Romans in the mean time, though they had not been altogether at peace, yet they had not, during this period, been engaged in any war of very great conſequence; and their military diſcipline, it is generally ſaid, was a good deal relaxed. The Roman armies which Annibal encountered at Trebia, Thraſymenus, and Cannæ, were militia oppoſed to a ſtanding army. This circumſtance, it is probable, contributed more than any other to determine the fate of thoſe battles.

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THE ſtanding army which Annibal left behind him in Spain, had the like ſuperiority over the militia which the Romans ſent to oppoſe it, and in a few years, under the command of his brother, the younger Aſdrubal, expelled them almoſt entirely from that country.

ANNIBAL was ill ſupplied from home. The Roman militia, being continually in the field, became in the progreſs of the war a well diſciplined and well exerciſed ſtanding army; and the ſuperiority of Annibal grew every day leſs and leſs. Aſdrubal judged it neceſſary to lead the whole, or almoſt the whole of the ſtanding army which he commanded in Spain, to the aſſiſtance of his brother in Italy. In his march he is ſaid to have been miſled by his guides; and in a country which he did not know, was ſurprized and attacked by another ſtanding army, in every reſpect equal or ſuperior to his own, and was entirely defeated.

WHEN Aſdrubal had left Spain, the great Scipio found nothing to oppoſe him but a militia inferior to his own. He conquered and ſubdued that militia, and, in the courſe of the war, his own militia neceſſarily became a well diſciplined and well exerciſed ſtanding army. That ſtanding army was afterwards carried to Africa, where it found nothing but a militia to oppoſe it. In order to defend Carthage it became neceſſary to recall the ſtanding army of Annibal. The diſheartened and frequently defeated African militia joined it, and, at the battle of Zama, compoſed the greater part of the troops of Annibal. The event of that day determined the fate of the two rival republicks.

FROM the end of the ſecond Carthaginian war till the fall of the Roman republick, the armies of Rome were in every reſpect ſtanding armies. The ſtanding army of Macedon made ſome reſiſtance

reſiſtance to their arms. In the height of their grandeur it coſt them two great wars, and three great battles, to ſubdue that little kingdom; of which the conqueſt would probably have been ſtill more difficult, had it not been for the cowardice of its laſt king. The militias of all the civilized nations of the ancient world, of Greece, of Syria, and of Egypt, made but a feeble reſiſtance to the ſtanding armies of Rome. The militias of ſome barbarous nations defended themſelves much better. The Scythian or Tartar militia, which Mithridates drew from the countries north of the Euxine and Caſpian ſeas, were the moſt formidable enemies which the Romans had to encounter after the ſecond Carthaginian war. The Parthian and German militias too were always reſpectable, and, upon ſeveral occaſions, gained very conſiderable advantages over the Roman armies. In general, however, and when the Roman armies were well commanded, they appear to have been very much ſuperior; and if the Romans did not purſue the final conqueſt either of Parthia or Germany, it was probably becauſe they judged that it was not worth while to add thoſe two barbarous countries to an empire which was already too large. The antient Parthians appear to have been a nation of Scythian or Tartar extraction, and to have always retained a good deal of the manners of their anceſtors. The ancient Germans were, like the Scythians or Tartars, a nation of wandering ſhepherds, who went to war under the ſame chiefs whom they were accuſtomed to follow in peace. Their militia was exactly of the ſame kind with that of the Scythians or Tartars, from whom too they were probably deſcended.

MANY different cauſes contributed to relax the diſcipline of the Roman armies. Its extreme ſeverity was, perhaps, one of thoſe cauſes. In the days of their grandeur, when no enemy appeared capable of oppoſing them, their heavy armour was laid aſide as

unneceſſarily burdenſome, their laborious exerciſes were neglected as unneceſſarily toilſome. Under the Roman emperors beſides, the ſtanding armies of Rome, thoſe particularly which guarded the German and Pannonian frontiers, became dangerous to their maſters, againſt whom they uſed frequently to ſet up their own generals. In order to render them leſs formidable, according to ſome authors, Diocleſian, according to others, Conſtantine, firſt withdrew them from the frontier, where they had always before been encamped in great bodies, generally of two or three legions each, and diſperſed them in ſmall bodies through the different provincial towns, from whence they were ſcarce ever removed, but when it became neceſſary to repel an invaſion. Small bodies of ſoldiers quartered in trading and manufacturing towns, and ſeldom removed from thoſe quarters, became themſelves tradeſmen, artificers, and manufacturers. The civil came to predominate over the military character; and the ſtanding armies of Rome gradually degenerated into a corrupt, neglected, and undiſciplined militia, incapable of reſiſting the attack of the German and Scythian militias, which ſoon afterwards invaded the weſtern empire. It was only by hiring the militia of ſome of thoſe nations, to oppoſe to that of others, that the emperors were for ſome time able to defend themſelves. The fall of the weſtern empire is the third great revolution in the affairs of mankind, of which antient hiſtory has preſerved any diſtinct or circumſtantial account. It was brought about by the irreſiſtable ſuperiority which the militia of a barbarous has over that of a civilized nation; which the militia of a nation of ſhepherds has over that of a nation of huſbandmen, artificers, and manufacturers. The victories which have been gained by militias have generally been, not over ſtanding armies, but over other militias in exerciſe and diſcipline inferior to themſelves. Such were the victories which the Greek militia gained over that of the Perſian empire; and ſuch too were thoſe which

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in later times the Swiſs militia gained over that of the Auſtrians and Burgundians. CHAP. I.

THE military force of the German and Scythian nations who eſtabliſhed themſelves upon the ruins of the weſtern empire, continued for ſome time to be of the ſame kind in their new ſettlements as it had been in their original country. It was a militia of ſhepherds and huſbandmen, which, in time of war, took the field under the command of the ſame chieftains whom it was accuſtomed to obey in peace. It was, therefore, tolerably well exerciſed, and tolerably well diſciplined. As arts and induſtry advanced, however, the authority of the chieftains gradually decayed, and the great body of the people had leſs time to ſpare for military exerciſes. Both the diſcipline and the exerciſe of the feudal militia, therefore, went gradually to ruin, and ſtanding armies were gradually introduced to ſupply the place of it. When the expedient of a ſtanding army, beſides, had once been adopted by one civilized nation, it became neceſſary that all its neighbours ſhould follow the example. They ſoon found that their ſafety depended upon their doing ſo, and that their own militia was altogether incapable of reſiſting the attack of ſuch an army.

THE ſoldiers of a ſtanding army, though they may never have ſeen an enemy, yet have frequently appeared to poſſeſs all the courage of veteran troops, and the very moment that they took the field to have been fit to face the hardieſt and moſt experienced veterans. In 1756, when the Ruſſian army marched into Poland, the valour of the Ruſſian ſoldiers did not appear inferior to that of the Pruſſians, at that time ſuppoſed to be the hardieſt and moſt experienced veterans in Europe. The Ruſſian empire, however, had enjoyed a profound peace for near twenty years before, and could at that time have very few ſoldiers who had ever ſeen an enemy. When the

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the Spaniſh war broke out in 1739, England had enjoyed a profound peace for about eight and twenty years. The valour of her ſoldiers, however, far from being corrupted by that long peace, was never more diſtinguiſhed than in the attempt upon Carthagena, the firſt unfortunate exploit of that unfortunate war. In a long peace the generals, perhaps, may ſometimes forget their ſkill; but, where a well regulated ſtanding army has been kept up, the ſoldiers ſeem never to forget their valour.

When a civilized nation depends for its defence upon a militia, it is at all times expoſed to be conquered by any barbarous nation which happens to be in its neighbourhood. The frequent conqueſts of all the civilized countries in Aſia by the Tartars, ſufficiently demonſtrate the natural ſuperiority which the militia of a barbarous has over that of a civilized nation. A well regulated ſtanding army is ſuperior to every militia. Such an army, as it can beſt be maintained by an opulent and civilized nation, ſo it can alone defend ſuch a nation againſt the invaſion of a poor and barbarous neighbour. It is only by means of a ſtanding army, therefore, that the civilization of any country can be perpetuated, or even preſerved for any conſiderable time.

As it is only by means of a well regulated ſtanding army that a civilized country can be defended, ſo it is only by means of it that a barbarous country can be ſuddenly and tolerably civilized. A ſtanding army eſtabliſhes, with an irreſiſtible force, the law of the ſovereign through the remoteſt provinces of the empire, and maintains ſome degree of regular government in countries which could not otherwiſe admit of any. Whoever examines, with attention, the improvements which Peter the Great introduced into the Ruſſian empire, will find that they almoſt all reſolve themſelves into the eſtabliſhment of a well regulated ſtanding army. It is the inſtru-

ment which executes and maintains all his other regulations. That degree of order and internal peace which that empire has ever ſince enjoyed, is altogether owing to the influence of that army.

Men of republican principles have been jealous of a ſtanding army as dangerous to liberty. It certainly is ſo wherever the intereſt of the general and that of the principal officers are not neceſſarily connected with the ſupport of the conſtitution of the ſtate. The ſtanding army of Ceſar deſtroyed the Roman republick. The ſtanding army of Cromwell turned the long parliament out of doors. But where the ſovereign is himſelf the general, and the principal nobility and gentry of the country the chief officers of the army; where the military force is placed under the command of thoſe who have the greateſt intereſt in the ſupport of the civil authority, becauſe they have themſelves the greateſt ſhare of that authority, a ſtanding army can never be dangerous to liberty. On the contrary, it may in ſome caſes be favourable to liberty. The ſecurity which it gives to the ſovereign renders unneceſſary that troubleſome jealouſy which in ſome modern republicks ſeems to watch over the minuteſt actions, and to be at all times ready to diſturb the peace of every citizen. Where the ſecurity of the magiſtrate, though ſupported by the principal people of the country, is endangered by every popular diſcontent; where a ſmall tumult is capable of bringing about in a few hours a great revolution, the whole authority of government muſt be employed to ſuppreſs and puniſh every murmur and complaint againſt it. To a ſovereign, on the contrary, who feels himſelf ſupported, not only by the natural ariſtocracy of the country, but by a well regulated ſtanding army, the rudeſt, the moſt groundleſs, and the moſt licentious remonſtrances can give little diſturbance. He can ſafely pardon or neglect them, and his conſciouſneſs of his own ſuperiority naturally diſpoſes him to do

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ſo. That degree of liberty which approaches to licentiouſneſs can be tolerated only in countries where the ſovereign is ſecured by a well regulated ſtanding army. It is in ſuch countries only that the publick ſafety does not require that the ſovereign ſhould be truſted with any diſcretionary power for ſuppreſſing even the impertinent wantonneſs of this licentious liberty.

The firſt duty of the ſovereign, therefore, that of defending the ſociety from the violence and injuſtice of other independent ſocieties, grows gradually more and more expenſive as the ſociety advances in civilization. The military force of the ſociety, which originally coſt the ſovereign no expence either in time of peace or in time of war, muſt, in the progreſs of improvement, firſt be maintained by him in time of war, and afterwards even in time of peace.

The great change introduced into the art of war by the invention of fire arms, has enhanced ſtill further both the expence of exerciſing and diſciplining any particular number of ſoldiers in time of peace, and that of employing them in time of war. Both their arms and their ammunition are become more expenſive. A muſquet is a more expenſive machine than a javelin or a bow and arrows; a cannon or a mortar, than a baliſta or a catapulta. The powder which is ſpent in a modern review is loſt irrecoverably, and occaſions a very conſiderable expence. The javelins and arrows which were thrown or ſhot in an antient one, could eaſily be picked up again, and were beſides of very little value. The cannon and the mortar are, not only much dearer, but much heavier machines than the baliſta or catapulta, and require a greater expence not only to prepare them for the field, but to carry them to it. As the ſuperiority of the modern artillery too over that of the antients is very great; it has become much more

difficult, and consequently much more expensive, to fortify a town so as to resist even for a few weeks the attack of that superior artillery. In modern times many different causes contribute to render the defence of the society more expensive. The unavoidable effects of the natural progress of improvement have, in this respect, been a good deal enhanced by a great revolution in the art of war, to which a mere accident, the invention of gunpowder, seems to have given occasion.

In modern war the great expence of fire-arms gives an evident advantage to the nation which can best afford that expence; and consequently to an opulent and civilized over a poor and barbarous nation. In antient times the opulent and civilized found it difficult to defend themselves against the poor and barbarous nations. In modern times the poor and barbarous find it difficult to defend themselves against the opulent and civilized. The invention of fire-arms, an invention which at first sight appears to be so pernicious, is certainly favourable both to the permanency and to the extension of civilization.

Part II.

Of the Expence of Justice.

The second duty of the sovereign, that of protecting, as far as possible, every member of the society from the injustice or oppression of every other member of it, or the duty of establishing an exact administration of justice, requires too very different degrees of expence in the different periods of society.

Among nations of hunters, as there is scarce any property, or at least none that exceeds the value of two or three days labour; so there is seldom any established magistrate or any regular administration of justice. Men who have no property can injure one

another only in their perſons or reputations. But when one man kills, wounds, beats, or defames another, though he to whom the injury is done ſuffers, he who does it receives no benefit. It is otherwiſe with the injuries to property. The benefit of the perſon who does the injury is often equal to the loſs of him who ſuffers it. Envy, malice, or reſentment, are the only paſſions which can prompt one man to injure another in his perſon or reputation. But the greater part of men are not very frequently under the influence of thoſe paſſions; and the very worſt men are ſo only occaſionally. As their gratification too, how agreeable ſoever it may be to certain characters, is not attended with any real or permanent advantage, it is in the greater part of men commonly reſtrained by prudential conſiderations. Men may live together in ſociety with ſome tolerable degree of ſecurity, though there is no civil magiſtrate to protect them from the injuſtice of thoſe paſſions. But avarice and ambition in the rich, in the poor the hatred of labour and the love of preſent eaſe and enjoyment, are the paſſions which prompt to invade property, paſſions much more ſteady in their operation, and much more univerſal in their influence. Wherever there is great property, there is great inequality. For one very rich man, there muſt be at leaſt five hundred poor, and the affluence of the few ſuppoſes the indigence of the many. The affluence of the rich excites the indignation of the poor, who are often both driven by want, and prompted by envy to invade his poſſeſſions. It is only under the ſhelter of the civil magiſtrate that the owner of that valuable property, which is acquired by the labour of many years, or perhaps of many ſucceſſive generations, can ſleep a ſingle night in ſecurity. He is at all times ſurrounded by unknown enemies, whom, though he never provoked, he can never appeaſe, and from whoſe injuſtice he can be protected only by the powerful arm of the civil magiſtrate continually held up to chaſtiſe it. The acqui-

ſition of valuable or extenſive property, therefore, neceſſarily requires the eſtabliſhment of civil government. Where there is no property, or at leaſt none that exceeds the value of two or three days labour, civil government is not ſo neceſſary.

Civil government ſuppoſes a certain ſubordination. But as the neceſſity of civil government gradually grows up with the acquiſition of valuable property, ſo the principal cauſes which naturally introduce ſubordination gradually grow up with the growth of that valuable property.

The cauſes or circumſtances which naturally introduce ſubordination, or which naturally, and antecedent to any civil inſtitution, give ſome men ſome ſuperiority over the greater part of their brethren, ſeem to be four in number.

The firſt of thoſe cauſes or circumſtances is the ſuperiority of perſonal qualifications, of ſtrength, beauty, and agility of body; of wiſdom, and virtue, of prudence, juſtice, fortitude, and moderation of mind. The qualifications of the body, unleſs ſupported by thoſe of the mind, can give little authority in any period of ſociety. He is a very ſtrong man who by mere ſtrength of body can force two weak ones to obey him. The qualifications of the mind can alone give very great authority. They are, however, inviſible qualities; always diſputable, and generally diſputed. No ſociety, whether barbarous or civilized, has ever found it convenient to ſettle the rules of precedency, of rank and ſubordination, according to thoſe inviſible qualities; but according to ſomething that is more plain and palpable.

The ſecond of thoſe cauſes or circumſtances is the ſuperiority of age. An old man, provided his age is not ſo far advanced as to give ſuſpicion of dotage, is every where more reſpected than a

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young man of equal rank, fortune, and abilities. Among nations of hunters, ſuch as the native tribes of North America, age is the ſole foundation of rank and precedency. Among them, father is the appellation of a ſuperior; brother, of an equal; and ſon, of an inferior. In the moſt opulent and civilized nations, age regulates rank among thoſe who are in every other reſpect equal, and among whom therefore there is nothing elſe to regulate it. Among brothers and among ſiſters, the eldeſt always take place; and in the ſucceſſion of the paternal eſtate every thing which cannot be divided, but muſt go entire to one perſon, ſuch as a title of honour, is in moſt caſes given to the eldeſt. Age is a plain and palpable quality which admits of no diſpute.

The third of thoſe cauſes or circumſtances is the ſuperiority of fortune. The authority of riches, however, though great in every age of ſociety, is perhaps greateſt in the rudeſt age of ſociety which admits of any conſiderable inequality of fortune. A Tartar chief, the increaſe of whoſe herds and flocks is ſufficient to maintain a thouſand men, cannot well employ that increaſe in any other way than in maintaining a thouſand men. The rude ſtate of his ſociety does not afford him any manufactured produce, any trinkets or baubles of any kind, for which he can exchange that part of his rude produce which is over and above his own conſumption. The thouſand men whom he thus maintains, depending entirely upon him for their ſubſiſtence, muſt both obey his orders in war, and ſubmit to his juriſdiction in peace. He is neceſſarily both their general and their judge, and his chieftainſhip is the neceſſary effect of the ſuperiority of his fortune. In an opulent and civilized ſociety, a man may poſſeſs a much greater fortune, and yet not be able to command a dozen of people. Though the produce of his eſtate may be ſufficient to maintain, and may perhaps actually maintain, more than a thouſand people,

yet as thoſe people pay for every thing which they get from him, as he gives ſcarce any thing to any body but in exchange for an equivalent, there is ſcarce any body who conſiders himſelf as entirely dependent upon him, and his authority extends only over a few menial ſervants. The authority of fortune, however, is very great even in an opulent and civilized ſociety. That it is much greater than that either of age or of perſonal qualities, has been the conſtant complaint of every period of ſociety which admitted of any conſiderable inequality of fortune. The firſt period of ſociety, that of hunters, admits of no ſuch inequality. Univerſal poverty eſtabliſhes there univerſal equality, and the ſuperiority either of age or of perſonal qualities are the feeble, but the ſole foundations of authority and ſubordination. There is therefore little or no authority or ſubordination in this period of ſociety. The ſecond period of ſociety, that of ſhepherds, admits of very great inequalities of fortune, and there is no period in which the ſuperiority of fortune gives ſo great authority to thoſe who poſſeſs it. There is no period accordingly in which authority and ſubordination are more perfectly eſtabliſhed. The authority of an Arabian ſcherif is very great; that of a Tartar khan altogether deſpotical.

The fourth of thoſe cauſes or circumſtances is the ſuperiority of birth. Superiority of birth ſuppoſes an antient ſuperiority of fortune in the family of the perſon who claims it. All families are equally antient; and the anceſtors of the prince, though they may be better known, cannot well be more numerous than thoſe of the beggar. Antiquity of family means every where the antiquity either of wealth, or of that greatneſs which is commonly either founded upon wealth or accompanied with it. Upſtart greatneſs is every where leſs reſpected than antient greatneſs. The hatred of uſurpers, the love for the family of an antient monarch,

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are in a great meaſure founded upon the contempt which men naturally have for the former, and upon their veneration for the latter. As a military officer ſubmits without reluctance to the authority of a ſuperior by whom he has always been commanded, but cannot bear that his inferior ſhould be ſet over his head; ſo men eaſily ſubmit to a family to whom they and their anceſtors have always ſubmitted, but are fired with indignation when another family, in whom they had never acknowledged any ſuch ſuperiority, aſſumes a dominion over them.

The diſtinction of birth, being ſubſequent to the inequality of fortune, can have no place in nations of hunters, among whom all men, being equal in fortune, muſt likewiſe be very nearly equal in birth. The ſon of a wiſe and brave man may, indeed, even among them, be ſomewhat more reſpected than a man of equal merit who has the misfortune to be the ſon of a fool or a coward. The difference, however, will not be very great; and there never was, I believe, a great family in the world whoſe illuſtration was intirely derived from the inheritance of wiſdom and virtue.

The diſtinction of birth not only may, but always does take place among nations of ſhepherds. Such nations are always ſtrangers to every ſort of luxury, and great wealth can ſcarce ever be diſſipated among them by improvident profuſion. There are no nations accordingly who abound more in families revered and honoured on account of their deſcent from a long race of great and illuſtrious anceſtors; becauſe there are no nations among whom wealth is likely to continue longer in the ſame families.

Birth and fortune are evidently the two circumſtances which principally ſet one man above another. They are the two great ſources

of

of perſonal diſtinction, and are therefore the principal cauſes which naturally eſtabliſh authority and ſubordination among men. Among nations of ſhepherds both thoſe cauſes operate with their full force. The great ſhepherd or herdſman, reſpected on account of his great wealth, and of the great number of thoſe who depend upon him for ſubſiſtence, and revered on account of the nobleneſs of his birth, and of the immemorial antiquity of his illuſtrious family, has a natural authority over all the inferior ſhepherds or herdſmen of his horde or clan. He can command the united force of a greater number of people than any of them. His military power is greater than that of any of them. In time of war they are all of them naturally diſpoſed to muſter themſelves under his banner, rather than under that of any other perſon, and his birth and fortune thus naturally procure to him ſome ſort of executive power. By commanding too the united force of a greater number of people than any of them, he is beſt able to compel any one of them who may have injured another to compenſate the wrong. He is the perſon, therefore, to whom all thoſe who are too weak to defend themſelves naturally look up for protection. It is to him that they naturally complain of the injuries which they imagine have been done to them, and his interpoſition in ſuch caſes is more eaſily ſubmitted to, even by the perſon complained of, than that of any other perſon would be. His birth and fortune thus naturally procure him ſome ſort of judicial authority.

It is in the age of ſhepherds, in the ſecond period of ſociety, that the inequality of fortune firſt begins to take place, and introduces among men a degree of authority and ſubordination which could not poſſibly exiſt before. It thereby introduces ſome degree of that civil government which is indiſpenſably neceſſary for its own preſervation: and it ſeems to do this naturally, and even independent of the conſideration of that neceſſity. The conſideration of that neceſſity

neceſſity comes no doubt afterwards to contribute very much to maintain and ſecure that authority and ſubordination. The rich, in particular, are neceſſarily intereſted to ſupport that order of things which can alone ſecure them in the poſſeſſion of their own advantages. Men of inferior wealth combine to defend thoſe of ſuperior wealth in the poſſeſſion of their property, in order that men of ſuperior wealth may combine to defend them in the poſſeſſion of theirs. All the inferior ſhepherds and herdſmen feel that the ſecurity of their own herds and flocks depends upon the ſecurity of thoſe of the great ſhepherd or herdſman; that the maintenance of their leſſer authority depends upon that of his greater authority, and that upon their ſubordination to him depends his power of keeping their inferiors in ſubordination to them. They conſtitute a ſort of little nobility, who feel themſelves intereſted to defend the property and to ſupport the authority of their own little ſovereign, in order that he may be able to defend their property and to ſupport their authority. Civil government, ſo far as it is inſtituted for the ſecurity of property, is in reality inſtituted for the defence of the rich againſt the poor, or of thoſe who have ſome property againſt thoſe who have none at all.

The judicial authority of ſuch a ſovereign, however, far from being a cauſe of expence, was for a long time a ſource of revenue to him. The perſons who applied to him for juſtice were always willing to pay for it, and a preſent never failed to accompany a petition. After the authority of the ſovereign too was thoroughly eſtabliſhed, the perſon found guilty, over and above the ſatisfaction which he was obliged to make to the party, was likewiſe forced to pay an amercement to the ſovereign. He had given trouble, he had diſturbed, he had broke the peace of his lord the king, and for thoſe offences an amercement was thought due. In the Tartar governments

ments of Aſia, in the governments of Europe which were founded by the German and Scythian nations who overturned the Roman empire, the adminiſtration of juſtice was a conſiderable ſource of revenue both to the ſovereign and to all the leſſer chiefs or lords who exerciſed under him any particular juriſdiction, either over ſome particular tribe or clan, or over ſome particular territory or diſtrict. Originally both the ſovereign and the inferior chiefs uſed to exerciſe this juriſdiction in their own perſons. Afterwards they univerſally found it convenient to delegate it to ſome ſubſtitute, bailiff, or judge. This ſubſtitute, however, was ſtill obliged to account to his principal or conſtituent for the profits of the juriſdiction. Whoever reads the inſtructions * which were given to the judges of the circuit in the time of Henry II. will ſee clearly that thoſe judges were a ſort of itinerant factors, ſent round the country for the purpoſe of levying certain branches of the king's revenue. In thoſe days the adminiſtration of juſtice not only afforded a certain revenue to the ſovereign, but to procure this revenue ſeems to have been one of the principal advantages which he propoſed to obtain by the adminiſtration of juſtice.

This ſcheme of making the adminiſtration of juſtice ſubſervient to the purpoſes of revenue, could ſcarce fail to be productive of ſeveral very groſs abuſes. The perſon who applied for juſtice with a large preſent in his hand was likely to get ſomething more than juſtice; while he who applied for it with a ſmall one was likely to get ſomething leſs. Juſtice too might frequently be delayed, in order that this preſent might be repeated. The amercement, beſides, of the perſon complained of, might frequently ſuggeſt a very ſtrong reaſon for finding him in the wrong, even when he had not really been ſo. That ſuch abuſes were far from being uncommon, the antient hiſtory of every country in Europe bears witneſs.

* They are to be found in Tyrrell's Hiſtory of England.

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When the ſovereign or chief exerciſed his judicial authority in his own perſon, how much ſoever he might abuſe it, it muſt have been ſcarce poſſible to get any redreſs; becauſe there could ſeldom be any body powerful enough to call him to account. When he exerciſed it by a bailiff, indeed, redreſs might ſometimes be had. If it was for his own benefit only that the bailiff had been guilty of any act of injuſtice, the ſovereign himſelf might not always be unwilling to puniſh him, or to oblige him to repair the wrong. But if it was for the benefit of his ſovereign, if it was in order to make court to the perſon who appointed him and who might prefer him, that he had committed any act of oppreſſion, redreſs would upon moſt occaſions be as impoſſible as if the ſovereign had committed it himſelf. In all barbarous governments, accordingly, in all thoſe antient governments of Europe in particular, which were founded upon the ruins of the Roman empire, the adminiſtration of juſtice appears for a long time to have been extremely corrupt; far from being quite equal and impartial even under the beſt monarchs, and altogether profligate under the worſt.

Among nations of ſhepherds, where the ſovereign or chief is only the greateſt ſhepherd or herdſman of the horde or clan, he is maintained in the ſame manner as any of his vaſſals or ſubjects, by the increaſe of his own herds or flocks. Among thoſe nations of huſbandmen who are but juſt come out of the ſhepherd ſtate, and who are not much advanced beyond that ſtate; ſuch as the Greek tribes appear to have been about the time of the Trojan war, and our German and Scythian anceſtors when they firſt ſettled upon the ruins of the weſtern empire; the ſovereign or chief is in the ſame manner only the greateſt landlord of the country, and is maintained, in the ſame manner as any other landlord, by a revenue derived from his own private eſtate, or from what in modern Europe was called the demeſne of the crown. His ſubjects upon ordinary occaſions contribute nothing to his

his ſupport, except when they ſtand in need of the interpoſition of his authority in order to protect them from the oppreſſion of ſome of their fellow ſubjects. The preſents which they make him upon ſuch occaſions conſtitute the whole ordinary revenue, the whole of the emoluments which, except perhaps upon ſome very extraordinary emergencies, he derives from his dominion over them. When Agamemnon, in Homer, offers to Achilles for his friendſhip the ſovereignty of ſeven Greek cities, the ſole advantage which he mentions as likely to be derived from it was, that the people would honour him with preſents. As long as ſuch preſents, as long as the emoluments of juſtice, or what may be called the fees of court, conſtituted in this manner the whole ordinary revenue which the ſovereign derived from his ſovereignty, it could not well be expected, it could not even decently be propoſed that he ſhould give them up altogether. It might, and it frequently was propoſed, that he ſhould regulate and aſcertain them. But after they had been ſo regulated and aſcertained, how to hinder a perſon who was all-powerful from extending them beyond thoſe regulations, was ſtill very difficult, not to ſay impoſſible. During the continuance of this ſtate of things, therefore, the corruption of juſtice, naturally reſulting from the arbitrary and uncertain nature of thoſe preſents, ſcarce admitted of any effectual remedy.

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But when from different cauſes, chiefly from the continually increaſing expence of defending the nation againſt the invaſion of other nations, the private eſtate of the ſovereign had become altogether inſufficient for defraying the expence of the ſovereignty; and when it had become neceſſary that the people ſhould, for their own ſecurity, contribute towards this expence by taxes of different kinds, it ſeems to have been very commonly ſtipulated that no preſent for the adminiſtration of juſtice ſhould, under any pretence, be accepted either by the ſovereign, or by his bailiffs and ſubſtitutes,

ſtitutes, the judges. Thoſe preſents, it ſeems to have been ſuppoſed, could more eaſily be aboliſhed altogether, than effectually regulated and aſcertained. Fixed ſalaries were appointed to the judges, which were ſuppoſed to compenſate to them the loſs of whatever might have been their ſhare of the antient emoluments of juſtice; as the taxes more than compenſated to the ſovereign the loſs of his. Juſtice was then ſaid to be adminiſtered gratis.

Justice, however, never was in reality adminiſtered gratis in any country. Lawyers and attornies, at leaſt, muſt always be paid by the parties; and, if they were not, they would perform their duty ſtill worſe than they actually perform it. The fees annually paid to lawyers and attornies amount, in every court, to a much greater ſum than the ſalaries of the judges. The circumſtance of thoſe ſalaries being paid by the crown, can no where much diminiſh the neceſſary expence of a law-ſuit. But it was not ſo much to diminiſh the expence, as to prevent the corruption of juſtice, that the judges were prohibited from receiving any preſent or fee from the parties.

The office of judge is in itſelf ſo very honourable, that men are willing to accept of it, though accompanied with very ſmall emoluments. The inferior office of juſtice of peace, though attended with a good deal of trouble, and in moſt caſes with no emoluments at all, is an object of ambition to the greater part of our country gentlemen. The ſalaries of all the different judges, high and low, together with the whole expence of the adminiſtration and execution of juſtice, even where it is not managed with very good œconomy, makes, in any civilized country, but a very inconſiderable part of the whole expence of government.

The whole expence of juſtice too might eaſily be defrayed by the fees of court; and, without expoſing the adminiſtration of juſtice

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to any real hazard of corruption, the public revenue might thus be entirely diſcharged from a certain, though, perhaps, but a ſmall incumbrance. It is difficult to regulate the fees of court effectually, where a perſon ſo powerful as the ſovereign is to ſhare in them, and to derive any conſiderable part of his revenue from them. It is very eaſy, where the judge is the principal perſon who can reap any benefit from them. The law can very eaſily oblige the judge to reſpect the regulation, though it might not always be able to make the ſovereign reſpect it. Where the fees of court are preciſely regulated and aſcertained, where they are paid all at once, at a certain period of every proceſs, into the hands of a caſhier or receiver, to be by him diſtributed in certain known proportions among the different judges after the proceſs is decided, and not till it is decided, there ſeems to be no more danger of corruption than where ſuch fees are prohibited altogether. Thoſe fees, without occaſioning any conſiderable increaſe in the expence of a law-ſuit, might be rendered fully ſufficient for defraying the whole expence of juſtice. By not being paid to the judges till the proceſs was determined, they might be ſome incitement to the diligence of the court in examining and deciding it. In courts which conſiſted of a conſiderable number of judges, by proportioning the ſhare of each judge to the number of hours and days which he had employed in examining the proceſs, either in the court or in a committee by order of the court, thoſe fees might give ſome encouragement to the diligence of each particular judge. Public ſervices are never better performed than when their reward comes only in conſequence of their being performed, and is proportioned to the diligence employed in performing them. In the different parliaments of France, the fees of court (called Epices and vacations) conſtitute the far greater part of the emoluments of the judges. After all deductions are made, the neat ſalary paid by the crown to a counſellor or judge in the parliament of Toulouſe, in rank and dignity the

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ſecond parliament of the kingdom, amounts only to a hundred and fifty livres, about ſix pounds eleven ſhillings ſterling a year. About ſeven years ago that ſum was in the ſame place the ordinary yearly wages of a common footman. The diſtribution of thoſe Epices too is according to the diligence of the judges. A diligent judge gains a comfortable, though moderate revenue by his office: An idle one gets little more than his ſalary. Thoſe parliaments are perhaps, in many reſpects, not very convenient courts of juſtice; but they have never been accuſed; they ſeem never even to have been ſuſpected of corruption.

THE fees of court ſeem originally to have been the principal ſupport of the different courts of juſtice in England. Each court endeavoured to draw to itſelf as much buſineſs as it could, and was, upon that account, willing to take cognizance of many ſuits which were not originally intended to fall under its juriſdiction. The court of king's bench, inſtituted for the trial of criminal cauſes only, took cognizance of civil ſuits; the plaintiff pretending that the defendant, in not doing him juſtice, had been guilty of ſome treſpaſs or miſdemeanor. The court of exchequer, inſtituted for the levying of the king's revenue, and for enforcing the payment of ſuch debts only as were due to the king, took cognizance of all other contract debts; the plaintiff alledging that he could not pay the king, becauſe the defendant would not pay him. In conſequence of ſuch fictions it came, in many caſes, to depend altogether upon the parties before what court they would chuſe to have their cauſe tried; and each court endeavoured, by ſuperior diſpatch and impartiality, to draw to itſelf as many cauſes as it could. The preſent admirable conſtitution of the courts of juſtice in England was, perhaps, originally in a great meaſure formed by this emulation which antiently took place between their reſpective judges; each judge endeavouring to give, in his own court, the ſpeedieſt and moſt

effectual remedy, which the law would admit, for every ſort of injuſtice. Originally the courts of law gave damages only for breach of contract. The court of chancery, as a court of conſcience, firſt took upon it to enforce the ſpecific performance of agreements. When the breach of contract conſiſted in the non-payment of money, the damage ſuſtained could be compenſated in no other way than by ordering payment, which was equivalent to a ſpecific performance of the agreement. In ſuch caſes, therefore, the remedy of the courts of law was ſufficient. It was not ſo in others. When the tenant ſued his lord for having unjuſtly outed him of his leaſe, the damages which he recovered were by no means equivalent to the poſſeſſion of the land. Such cauſes, therefore, for ſome time, went all to the court of chancery, to the no ſmall loſs of the courts of law. It was to draw back ſuch cauſes to themſelves that the courts of law are ſaid to have invented the artificial and fictitious writ of ejectment, the moſt effectual remedy for an unjuſt outer or diſpoſſeſſion of land.

A STAMP-DUTY upon the law proceedings of each particular court, to be levied by that court, and applied towards the maintenance of the judges and other officers belonging to it, might, in the ſame manner, afford a revenue ſufficient for defraying the expence of the adminiſtration of juſtice, without bringing any burden upon the general revenue of the ſociety. The judges indeed might, in this caſe, be under the temptation of multiplying unneceſſarily the proceedings upon every cauſe, in order to increaſe, as much as poſſible, the produce of ſuch a ſtamp-duty. It has been the cuſtom in modern Europe to regulate, upon moſt occaſions, the payment of the attornies and clerks of court according to the number of pages which they had occaſion to write; the court, however, requiring that each page ſhould contain ſo many lines, and each line ſo many words. In order to increaſe their payment, the

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the attornies and clerks have contrived to multiply words beyond all neceſſity, to the corruption of the law language of, I believe, every court of juſtice in Europe. A like temptation might perhaps occaſion a like corruption in the form of law proceedings.

But whether the adminiſtration of juſtice be ſo contrived as to defray its own expence, or whether the judges be maintained by fixed ſalaries paid to them from ſome other fund, it does not ſeem neceſſary that the perſon or perſons entruſted with the executive power ſhould be charged with the management of that fund, or with the payment of thoſe ſalaries. That fund might ariſe from the rent of landed eſtates, the management of each eſtate being entruſted to the particular court which was to be maintained by it. That fund might ariſe even from the intereſt of a ſum of money, the lending out of which might, in the ſame manner, be entruſted to the court which was to be maintained by it. A part, though indeed but a ſmall part, of the ſalary of the judges of the court of ſeſſion in Scotland, ariſes from the intereſt of a ſum of money. The neceſſary inſtability of ſuch a fund ſeems, however, to render it an improper one for the maintenance of an inſtitution which ought to laſt forever.

The ſeparation of the judicial from the executive power ſeems originally to have ariſen from the increaſing buſineſs of the ſociety, in conſequence of its increaſing improvement. The adminiſtration of juſtice became ſo laborious and ſo complicated a duty as to require the undivided attention of the perſons to whom it was entruſted. The perſon entruſted with the executive power not having leiſure to attend to the deciſion of private cauſes himſelf, a deputy was appointed to decide them in his ſtead. In the progreſs of the Roman greatneſs, the conſul was too much occupied with the political affairs of the ſtate to attend to the adminiſtration of juſtice.

A prætor, therefore, was appointed to adminiſter it in his ſtead. In the progreſs of the European monarchies which were founded upon the ruins of the Roman empire, the ſovereigns and the great lords came univerſally to conſider the adminiſtration of juſtice as an office both too laborious and too ignoble for them to execute in their own perſons. They univerſally, therefore, diſcharged themſelves of it by appointing a deputy, bailiff, or judge.

When the judicial is united to the executive power, it is ſcarce poſſible that juſtice ſhould not frequently be ſacrificed to, what is vulgarly called, politics. The perſons entruſted with the great intereſts of the ſtate may, even without any corrupt views, ſometimes imagine it neceſſary to ſacrifice to thoſe intereſts the rights of a private man. But upon the impartial adminiſtration of juſtice depends the liberty of every individual, the ſenſe which he has of his own ſecurity. In order to make every individual feel himſelf perfectly ſecure in the poſſeſſion of every right which belongs to him, it is not only neceſſary that the judicial ſhould be ſeparated from the executive power, but that it ſhould be rendered as much as poſſible independent of that power. The judge ſhould not be liable to be removed from his office according to the caprice of that power. The regular payment of his ſalary ſhould not depend upon the good-will, or even upon the good œconomy of that power.

Part III.

Of the Expence of publick Works and publick Inſtitutions.

The third and laſt duty of the ſovereign or commonwealth is that of erecting and maintaining thoſe publick inſtitutions and thoſe publick works, which, though they may be in the higheſt degree advantageous to a great ſociety, are, however, of ſuch a

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nature, that the profit could never repay the expence to any individual or ſmall number of individuals, and which it therefore cannot be expected that any individual or ſmall number of individuals ſhould erect or maintain. The performance of this duty requires too very different degrees of expence in the different periods of ſociety.

AFTER the publick inſtitutions and publick works neceſſary for the defence of the ſociety, and for the adminiſtration of juſtice, both of which have already been mentioned, the other works and inſtitutions of this kind are chiefly thoſe for facilitating the commerce of the ſociety, and thoſe for promoting the inſtruction of the people. The inſtitutions for inſtruction are of two kinds; thoſe for the education of the youth, and thoſe for the inſtruction of people of all ages. The conſideration of the manner in which the expence of thoſe different ſorts of publick work and inſtitutions may be moſt properly defrayed, will divide this third part of the preſent chapter into three different articles.

ARTICLE I.

Of the publick Works and Inſtitutions for facilitating the Commerce of the Society.

THAT the erection and maintenance of the publick works which facilitate the commerce of any country, ſuch as good roads, bridges, navigable canals, harbours, &c. muſt require very different degrees of expence in the different periods of ſociety, is evident without any proof. The expence of making and maintaining the publick roads of any country muſt evidently increaſe with the annual produce of the land and labour of that country, or with the quantity and weight of the goods which it becomes neceſſary to fetch and carry upon thoſe roads. The ſtrength of a bridge muſt be ſuited to the number and weight of the carriages which are likely to paſs over it. The depth and the ſupply of water for a navigable canal muſt be proportioned to the number and tunnage of the lighters which are likely to carry goods

goods upon it; the extent of a harbour to the number of the ſhipping which are likely to take ſhelter in it. CHAP. I.

It does not ſeem neceſſary that the expence of thoſe publick works ſhould be defrayed from that publick revenue, as it is commonly called, of which the collection and application is in moſt countries aſſigned to the executive power. The greater part of ſuch publick works may eaſily be ſo managed as to afford a particular revenue ſufficient for defraying their own expence, without bringing any burden upon the general revenue of the ſociety.

A highway, a bridge, a navigable canal, for example, may in moſt caſes be both made and maintained by a ſmall toll upon the carriages which make uſe of them: a harbour, by a moderate port duty upon the tunnage of the ſhipping which load or unload in it. The coinage, another inſtitution for facilitating commerce, in many countries, not only defrays its own expence, but affords a ſmall revenue or ſeignorage to the ſovereign. The poſt office, another inſtitution for the ſame purpoſe, over and above defraying its own expence, affords in almoſt all countries a very conſiderable revenue to the ſovereign.

When the carriages which paſs over a highway or a bridge, and the lighters which ſail upon a navigable canal, pay toll in proportion to their weight or their tunnage, they pay for the maintenance of thoſe publick works exactly in proportion to the tear and wear which they occaſion of them. It ſeems ſcarce poſſible to invent a more equitable way of maintaining ſuch works. This tax or toll too, though it is advanced by the carrier, is finally paid by the conſumer, to whom it muſt always be charged in the price of the goods. As the expence of carriage, however, is very much reduced by means of ſuch publick works, the goods, notwithſtanding the toll, come cheaper

to the conſumer than they could otherwiſe have done; their price not being ſo much raiſed by the toll, as it is lowered by the cheapneſs of the carriage. The perſon who finally pays this tax, therefore, gains, by the application, more than he loſes by the payment of it. His payment is exactly in proportion to his gain. It is in reality no more than a part of that gain which he is obliged to give up in order to get the reſt. It ſeems impoſſible to imagine a more equitable method of raiſing a tax.

When the toll upon carriages of luxury, upon coaches, poſt-chaiſes, &c. is made ſomewhat higher in proportion to their weight, than upon carriages of neceſſary uſe, ſuch as carts, waggons, &c. the indolence and vanity of the rich is made to contribute in a very eaſy manner to the relief of the poor, by rendering cheaper the tranſportation of heavy goods to all the different parts of the country.

When high roads, bridges, canals, &c. are in this manner made and ſupported by the commerce which is carried on by means of them, they can be made only where that commerce requires them, and conſequently where it is proper to make them. Their expence too, their grandeur and magnificence muſt be ſuited to what that commerce can afford to pay. They muſt be made conſequently as it is proper to make them. A magnificent high road cannot be made through a deſart country where there is little or no commerce, or merely becauſe it happens to lead to the country villa of the intendant of the province, or to that of ſome great lord to whom the intendant finds it convenient to make his court. A great bridge cannot be thrown over a river at a place where nobody paſſes, or merely to embelliſh the view from the windows of a neighbouring palace: things which ſometimes happen in countries where works of this kind are carried on by any other revenue than that which they themſelves are capable of affording.

In ſeveral different parts of Europe the toll or lock-duty upon a canal is the property of private perſons, whoſe private intereſt obliges them to keep up the canal. If it is not kept in tolerable order, the navigation neceſſarily ceaſes altogether, and along with it the whole profit which they can make by the tolls. If thoſe tolls were put under the management of commiſſioners, who had themſelves no intereſt in them, they might be leſs attentive to the maintenance of the works which produced them. The canal of Languedoc coſt the king of France and the province upwards of thirteen millions of livres, which (at twenty-eight livres the mark of ſilver, the value of French money in the end of the laſt century) amounted to upwards of nine hundred thouſand pounds ſterling. When that great work was finiſhed, the moſt likely method, it was found, of keeping it in conſtant repair was to make a preſent of the tolls to Riquet the engineer, who planned and conducted the work. Thoſe tolls conſtitute at preſent a very large eſtate to the different branches of the family of that gentleman, who have therefore a great intereſt to keep the work in conſtant repair. But had thoſe tolls been put under the management of commiſſioners who had no ſuch intereſt, they might perhaps have been diſſipated in ornamental and unneceſſary expences, while the moſt eſſential parts of the work were allowed to go to ruin.

The tolls for the maintenance of a high road, cannot with any ſafety be made the property of private perſons. A high road, though entirely neglected, does not become altogether impaſſable, though a canal does. The proprietors of the tolls upon a high road, therefore, might neglect altogether the repair of the road, and yet continue to levy very nearly the ſame tolls. It is proper, therefore, that the tolls for the maintenance of ſuch a work ſhould be put under the management of commiſſioners or truſtees.

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In Great Britain, the abuſes which the truſtees have committed in the management of thoſe tolls, have in many caſes been very juſtly complained of. At many turnpikes, it has been ſaid, the money levied is more than double of what is neceſſary for executing in the compleateſt manner the work which is often executed in a very ſlovenly manner, and ſometimes not executed at all. The ſyſtem of repairing the high roads by tolls of this kind, it muſt be obſerved, is not of very long ſtanding. We ſhould not wonder, therefore, if it has not yet been brought to that degree of perfection of which it ſeems to be capable. If mean and improper perſons are frequently appointed truſtees; and if proper courts of inſpection and account have not yet been eſtabliſhed for controuling their conduct, and for reducing the tolls to what is barely ſufficient for executing the work to be done by them; the recency of the inſtitution both accounts and apologizes for thoſe defects, of which, by the wiſdom of parliament, the greater part may in due time be gradually remedied.

The money levied at the different turnpikes in Great Britain is ſuppoſed to exceed ſo much what is neceſſary for repairing the roads, that the ſavings, which with proper oeconomy might be made from it, have been conſidered, even by ſome miniſters, as a very great reſource which might at ſome time or another be applied to the exigencies of the ſtate. Government, it has been ſaid, by taking the management of the turnpikes into its own hands, and by employing the ſoldiers, who would work for a very ſmall addition to their pay, could keep the roads in good order at a much leſs expence than it can be done by truſtees who have no other workmen to employ, but ſuch as derive their whole ſubſiſtence from their wages. A great revenue, half a million perhaps, it has been pretended, might in this manner be gained without laying any new burden upon the people; and the turn-

pike roads might be made to contribute to the general expence of the ſtate, in the ſame manner as the poſt-office does at preſent.

That a conſiderable revenue might be gained in this manner, I have no doubt, though probably not near ſo much, as the projectors of this plan have ſuppoſed. The plan itſelf, however, ſeems liable to ſeveral very important objections.

First, if the tolls which are levied at the turnpikes ſhould ever be conſidered as one of the reſources for ſupplying the exigencies of the ſtate, they would certainly be augmented as thoſe exigencies were ſuppoſed to require. According to the policy of Great Britain, therefore, they would probably be augmented very faſt. The facility with which a great revenue could be drawn from them, would probably encourage adminiſtration to recur very frequently to this reſource. Though it may perhaps be more than doubtful whether half a million could by any oeconomy be ſaved out of the preſent tolls, it can ſcarce be doubted but that a million might be ſaved out of them if they were doubled, and perhaps two millions if they were tripled. This great revenue too might be levied without the appointment of a ſingle new officer to collect and receive it. But the turnpike tolls being continually augmented in this manner, inſtead of facilitating the inland commerce of the country, as at preſent, would ſoon become a very great encumbrance upon it. The expence of tranſporting all heavy goods from one part of the country to another would ſoon be ſo much increaſed, the market for all ſuch goods conſequently would ſoon be ſo much narrowed, that their production would be in a great meaſure diſcouraged, and the moſt important branches of the domeſtic induſtry of the country annihilated altogether.

Secondly,

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SECONDLY, a tax upon carriages in proportion to their weight, though a very equal tax when applied to the ſole purpoſe of repairing the roads, is a very unequal one, when applied to any other purpoſe, or to ſupply the common exigencies of the ſtate. When it is applied to the ſole purpoſe above mentioned, each carriage is ſuppoſed to pay exactly for the tear and wear which that carriage occaſions of the roads. But when it is applied to any other purpoſe, each carriage is ſuppoſed to pay for more than that tear and wear, and contributes to the ſupply of ſome other exigency of the ſtate. But as the turnpike toll raiſes the price of goods in proportion to their weight, and not to their value, it is chiefly paid by the conſumers of coarſe and bulky, not by thoſe of precious and light commodities. Whatever exigency of the ſtate therefore this tax might be intended to ſupply, that exigency would be chiefly ſupplied at the expence of the poor, not of the rich; at the expence of thoſe who are leaſt able to ſupply it, not of thoſe who are moſt able.

THIRDLY, if government ſhould at any time neglect the reparation of the high roads, it would be ſtill more difficult than it is at preſent to compel the proper application of any part of the turnpike tolls. A large revenue might thus be levied upon the people, without any part of it being applied to the only purpoſe to which a revenue levied in this manner ought ever to be applied. If the meanneſs and poverty of the truſtees of turnpike roads render it ſometimes difficult at preſent to oblige them to repair their wrong; their wealth and greatneſs would render it ten times more ſo in the caſe which is here ſuppoſed.

IN France the funds deſtined for the reparation of the high roads are under the immediate direction of the executive power. Thoſe funds conſiſt partly in the ſix days labour which the country people are in moſt parts of Europe obliged to give to the repa-

ration of the highways; and partly in ſuch a portion of the general revenue of the ſtate as the king chuſes to ſpare from his other expences.

By the antient law of France, as well as by that of moſt other parts of Europe, the ſix days labour was under the direction of a local or provincial magiſtracy, which had no immediate dependency upon the king's council. But by the preſent practice both the ſix days labour, and whatever other fund the king may chuſe to aſſign for the reparation of the high roads in any particular province or generality, are entirely under the management of the intendant; an officer who is appointed and removed by the king's council, who receives his orders from it, and is in conſtant correſpondence with it. In the progreſs of deſpotiſm the authority of the executive power gradually abſorbs that of every other power in the ſtate, and aſſumes to itſelf the management of every branch of revenue which is deſtined for any public purpoſe. In France, however, the great poſt roads, the roads which make the communication between the principal towns of the kingdom, are in general kept in good order; and in ſome provinces are even a good deal ſuperior to the greater part of the turnpike roads of England. But what we call the croſs roads, that is, the far greater part of the roads in the country, are entirely neglected, and are in many places abſolutely impaſſable for any heavy carriage. In ſome places it is even dangerous to travel on horſeback, and mules are the only conveyance which can ſafely be truſted. The proud miniſter of an oſtentatious court may frequently take pleaſure in executing a work of ſplendor and magnificence, ſuch as a great highway which is frequently ſeen by the principal nobility, whoſe applauſes, not only flatter his vanity, but even contribute to ſupport his intereſt at court. But to execute a great number of little works, in which nothing that can be done can make any great appearance, or excite the ſmalleſt degree of admiration in any traveller, and

which, in ſhort, have nothing to recommend them but their extreme utility, is a buſineſs which appears in every reſpect too mean and paultry to merit the attention of ſo great a magiſtrate. Under ſuch an adminiſtration, therefore, ſuch works are almoſt always entirely neglected.

In China, and in ſeveral other governments of Aſia, the executive power charges itſelf both with the reparation of the high roads, and with the maintenance of the navigable canals. In the inſtructions which are given to the governor of each province, thoſe objects, it is ſaid, are conſtantly recommended to him, and the judgement which the court forms of his conduct is very much regulated by the attention which he appears to have paid to this part of his inſtructions. This branch of public police accordingly is ſaid to be very much attended to in all thoſe countries, but particularly in China, where the high roads, and ſtill more the navigable canals, it is pretended, exceed very much every thing of the ſame kind which is known in Europe. The accounts of thoſe works, however, which have been tranſmitted to Europe, have generally been drawn up by weak and wondering travellers, frequently by ſtupid and lying miſſionaries. If they had been examined by more intelligent eyes, and if the accounts of them had been reported by more faithful witneſſes, they would not perhaps appear to be ſo wonderful. The account which Bernier gives of ſome works of this kind in Indoſtan, falls very much ſhort of what had been reported of them by other travellers more diſpoſed to the marvellous than he was. It may too perhaps be in thoſe countries as it is in France, where the great roads, the great communications which are likely to be the ſubjects of converſation at the court and in the capital, are attended to, and all the reſt neglected. In China, beſides, in Indoſtan, and in ſeveral other governments of Aſia, the revenue of the ſovereign ariſes almoſt altogether from a land-tax or land-rent, which riſes or falls with

with the riſe or fall of the annual produce of the land. The great intereſt of the ſovereign, therefore, his revenue, is in ſuch countries neceſſarily and immediately connected with the cultivation of the land, with the greatneſs of its produce, and with the value of its produce. But in order to render that produce both as great and as valuable as poſſible, it is neceſſary to procure to it as extenſive a market as poſſible, and conſequently to eſtabliſh the freeſt, the eaſieſt, and the leaſt expenſive communication between all the different parts of the country, which can be done only by means of the beſt roads and the beſt navigable canals. But the revenue of the ſovereign does not in any part of Europe ariſe chiefly from a land-tax or land-rent. In all the great kingdoms of Europe, perhaps the greater part of it may ultimately depend upon the produce of the land: But that dependency is neither ſo immediate, nor ſo evident. In Europe, therefore, the ſovereign does not feel himſelf ſo directly called upon to promote the increaſe, both in quantity and value, of the produce of the land, or, by maintaining good roads and canals, to provide the moſt extenſive market for that produce. Though it ſhould be true, therefore, what I apprehend is not a little doubtful, that in ſome parts of Aſia this department of the public police is very properly managed by the executive power, there is not the leaſt probability that, during the preſent ſtate of things, it could be tolerably managed by that power in any part of Europe.

Even thoſe public works which are of ſuch a nature that they cannot afford any revenue for maintaining themſelves, but of which the conveniency is nearly confined to ſome particular place or diſtrict, are always better maintained by a local or provincial revenue under the management of a local or provincial adminiſtration, than by the general revenue of the ſtate, of which the executive power muſt always have the management. Were the

ſtreets of London to be lighted and paved at the expence of the treaſury, is there any probability that they would be ſo well lighted and paved as they are at preſent, or even at ſo ſmall an expence? The expence beſides, inſtead of being raiſed by a local tax upon the inhabitants of each particular ſtreet, pariſh, or diſtrict in London, would, in this caſe, be defrayed out of the general revenue of the ſtate, and would conſequently be raiſed by a tax upon all the inhabitants of the kingdom, of whom the greater part derive no ſort of benefit from the lighting and paving of the ſtreets of London.

THE abuſes which ſometimes creep into the local and provincial adminiſtration of a local and provincial revenue, how enormous ſoever they may appear, are in reality, however, almoſt always very trifling in compariſon of thoſe which commonly take place in the adminiſtration and expenditure of the revenue of a great empire. They are, beſides, much more eaſily corrected. Under the local or provincial adminiſtration of the juſtices of the peace in Great Britain, the ſix days labour which the country people are obliged to give to the reparation of the highways, is not always perhaps very judiciouſly applied, but it is ſcarce ever exacted with any circumſtance of cruelty or oppreſſion. In France, under the adminiſtration of the intendants, the application is not always more judicious, and the exaction is frequently the moſt cruel and oppreſſive. Such Corvées, as they are called, make one of the principal inſtruments of tyranny by which the intendant chaſtiſes any pariſh or communauté which has had the misfortune to fall under his diſpleaſure.

ARTICLE II.

Of the Expence of the Inſtitutions for the Education of the Youth.

THE inſtitutions for the education of the youth may in the ſame manner furniſh a revenue ſufficient for defraying their own expence.

expence. The fee or honorary which the ſcholar pays to the maſter naturally conſtitutes a revenue of this kind.

Even where the reward of the maſter does not ariſe altogether from this natural revenue, it ſtill is not neceſſary that it ſhould be derived from that general revenue of the ſociety of which the collection and application is in moſt countries aſſigned to the executive power. Through the greater part of Europe accordingly the endowment of ſchools and colleges makes either no charge upon that general revenue, or but a very ſmall one. It every where ariſes chiefly from ſome local or provincial revenue, from the rent of ſome landed eſtate, or from the intereſt of ſome ſum of money allotted and put under the management of truſtees for this particular purpoſe, ſometimes by the ſovereign himſelf, and ſometimes by ſome private donor.

Have thoſe public endowments contributed in general to promote the end of their inſtitution? Have they contributed to encourage the diligence, and to improve the abilities of the teachers? Have they directed the courſe of education towards objects more uſeful, both to the individual and to the public, than thoſe to which it would naturally have gone of its own accord? It ſhould not ſeem very difficult to give at leaſt a probable anſwer to each of thoſe queſtions.

In every profeſſion the exertion of the greater part of thoſe who exerciſe it is always in proportion to the neceſſity they are under of making that exertion. This neceſſity is greateſt with thoſe to whom the emoluments of their profeſſion are the only ſource from which they expect their fortune, or even their ordinary revenue and ſubſiſtence. In order to acquire this fortune, or even to get this ſubſiſtence, they muſt, in the courſe of the year, execute a certain quantity

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quantity of work of a known value; and, where the competition is free, the rivalſhip of competitors, who are all endeavouring to juſtle one another out of employment, obliges every man to endeavour to execute his work with a certain degree of exactneſs. The greatneſs of the objects which are to be acquired by ſucceſs in ſome particular profeſſions may, no doubt, ſometimes animate the exertion of a few men of extraordinary ſpirit and ambition. Great objects, however, are evidently not neceſſary in order to occaſion the greateſt exertions. Rivalſhip and emulation render excellency, even in mean profeſſions, an object of ambition, and frequently occaſion the very greateſt exertions. Great objects, on the contrary, alone and unſupported by the neceſſity of application, have ſeldom been ſufficient to occaſion any conſiderable exertion. In England, ſucceſs in the profeſſion of the law leads to ſome very great objects of ambition; and yet how few men, born to eaſy fortunes, have ever in this country been eminent in that profeſſion!

THE endowments of ſchools and colleges have neceſſarily diminiſhed more or leſs the neceſſity of application in the teachers. Their ſubſiſtence, ſo far as it ariſes from their ſalaries, is evidently derived from a fund altogether independent of their ſucceſs and reputation in their particular profeſſions.

IN ſome univerſities the ſalary makes but a part, and frequently but a ſmall part of the emoluments of the teacher, of which the greater part ariſes from the honoraries or fees of his pupils. The neceſſity of application, though always more or leſs diminiſhed, is not in this caſe entirely taken away. Reputation in his profeſſion is ſtill of ſome importance to him, and he ſtill has ſome dependency upon the affection, gratitude, and favourable report of thoſe who have attended upon his inſtructions, and theſe favourable ſentiments

ments he is likely to gain in no way ſo well as by deſerving them, that is, by the abilities and diligence with which he diſcharges every part of his duty.

In other univerſities the teacher is prohibited from receiving any honorary or fee from his pupils, and his ſalary conſtitutes the whole of the revenue which he derives from his office. His intereſt is, in this caſe, ſet as directly in oppoſition to his duty as it is poſſible to ſet it. It is the intereſt of every man to live as much at his eaſe as he can; and if his emoluments are to be preciſely the ſame whether he does, or does not perform ſome very laborious duty, it is certainly his intereſt, at leaſt as intereſt is vulgarly underſtood, either to neglect it altogether, or, if he is ſubject to ſome authority which will not ſuffer him to do this, to perform it in as careleſs and ſlovenly a manner as that authority will permit. If he is naturally active and a lover of labour, it is his intereſt to employ that activity in any way, from which he can derive ſome advantage, rather than in the performance of his duty, from which he can derive none.

If the authority to which he is ſubject reſides in the body corporate, the college, or univerſity, of which he himſelf is a member, and in which the greater part of the other members are, like himſelf, perſons who either are or ought to be teachers, they are likely to make a common cauſe, to be all very indulgent to one another, and every man to conſent that his neighbour may neglect his duty, provided he himſelf is allowed to neglect his own. In the univerſity of Oxford, the greater part of the public profeſſors have, for theſe many years, given up altogether even the pretence of teaching.

If the authority to which he is ſubject reſides, not ſo much in the body corporate of which he is a member, as in ſome other extra-

neous perſons, in the biſhop of the dioceſe, for example; in the governor of the province; or, perhaps, in ſome miniſter of ſtate, it is not indeed in this caſe very likely that he will be ſuffered to neglect his duty altogether. All that ſuch ſuperiors, however, can force him to do is to attend upon his pupils a certain number of hours, that is, to give a certain number of lectures in the week or in the year. What thoſe lectures ſhall be, muſt ſtill depend upon the diligence of the teacher; and that diligence is likely to be proportioned to the motives which he has for exerting it. An extraneous juriſdiction of this kind, beſides, is liable to be exerciſed both ignorantly and capriciouſly. In its nature it is arbitrary and diſcretionary, and the perſons who exerciſe it, neither attending upon the lectures of the teacher themſelves, nor perhaps underſtanding the ſciences which it is his buſineſs to teach, are ſeldom capable of exerciſing it with judgement. From the inſolence of office too they are frequently indifferent how they exerciſe it, and are very apt to cenſure or deprive him of his office wantonly, and without any juſt cauſe. The perſon ſubject to ſuch juriſdiction is neceſſarily degraded by it, and, inſtead of being one of the moſt reſpectable, is rendered one of the meaneſt and moſt contemptible perſons in the ſociety. It is by powerful protection only that he can effectually guard himſelf againſt the bad uſage to which he is at all times expoſed; and this protection he is moſt likely to gain, not by ability or diligence in his profeſſion, but by obſequiouſneſs to the will of his ſuperiors, and by being ready, at all times, to ſacrifice to that will the rights, the intereſt, and the honour of the body corporate of which he is a member. Whoever has attended for any conſiderable time to the adminiſtration of a French univerſity, muſt have had occaſion to remark the effects which naturally reſult from an arbitrary and extraneous juriſdiction of this kind.

WHATEVER forces a certain number of ſtudents to any college or univerſity, independent of the merit or reputation of the teachers,

tends more or leſs to diminiſh the neceſſity of that merit or reputation.

THE privileges of graduates in arts, in law, in phyſic, and divinity, when they can be obtained only by reſiding a certain number of years in certain univerſities, neceſſarily force a certain number of ſtudents to ſuch univerſities independent of the merit or reputation of the teachers. The privileges of graduates are a ſort of ſtatutes of apprenticeſhip, which have contributed to the improvement of education, juſt as other ſtatutes of apprenticeſhip have to that of arts and manufactures.

THE charitable foundations of ſcholarſhips, exhibitions, burſaries, &c. neceſſarily attach a certain number of ſtudents to certain colleges, independent altogether of the merit of thoſe particular colleges. Were the ſtudents upon ſuch charitable foundations left free to chuſe what college they liked beſt, ſuch liberty might perhaps contribute to excite ſome emulation among different colleges. A regulation, on the contrary, which prohibited even the independent members of every particular college from leaving it, and going to any other, without leave firſt aſked and obtained of that which they meant to abandon, would tend very much to extinguiſh that emulation.

IF in each college the tutor or teacher who was to inſtruct each ſtudent in all arts and ſciences, ſhould not be voluntarily choſen by the ſtudent, but appointed by the head of the college; and if in caſe of neglect, inability, or bad uſage, the ſtudent ſhould not be allowed to change him for another without leave firſt aſked and obtained; ſuch a regulation would not only tend very much to extinguiſh all emulation among the different tutors of the

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ſame college, but to diminiſh very much in all of them the neceſſity of diligence and of attention to their reſpective pupils. Such teachers, though very well paid by their ſtudents, might be as much diſpoſed to neglect them as thoſe who are not paid by them at all, or who have no other recompence but their ſalary.

If the teacher happens to be a man of ſenſe, it muſt be an unpleaſant thing to him to be conſcious, while he is lecturing his ſtudents, that he is either ſpeaking or reading nonſenſe, or what is very little better than nonſenſe. It muſt too be unpleaſant to him to obſerve that the greater part of his ſtudents deſert his lectures; or perhaps attend upon them with plain enough marks of neglect, contempt and deriſion. If he is obliged, therefore, to give a certain number of lectures, theſe motives alone, without any other intereſt, might diſpoſe him to take ſome pains to give tolerably good ones. Several different expedients, however, may be fallen upon which will effectually blunt the edge of all thoſe incitements to diligence. The teacher, inſtead of explaining to his pupils himſelf, the ſcience in which he propoſes to inſtruct them, may read ſome book upon it; and if this book is written in a foreign and dead language, by interpreting it to them into their own; or, what would give him ſtill leſs trouble, by making them interpret it to him, and by now and then making an occaſional remark upon it, he may flatter himſelf that he is giving a lecture. The ſlighteſt degree of knowledge and application will enable him to do this without expoſing himſelf to contempt or deriſion, or ſaying any thing that is really fooliſh, abſurd, or ridiculous. The diſcipline of the college at the ſame time may enable him to force all his pupils to the moſt regular attendance upon this ſham-lecture, and to maintain the moſt decent and reſpectful behaviour during the whole time of the performance.

THE diſcipline of colleges and univerſities is in general contrived not for the benefit of the ſtudents, but for the intereſt, or more properly ſpeaking, for the eaſe of the maſters. Its object is in all caſes to maintain the authority of the maſter, and whether he neglects or performs his duty, to oblige the ſtudents in all caſes to behave to him as if he performed it with the greateſt diligence and ability. It ſeems to preſume perfect wiſdom and virtue in the one order, and the greateſt weakneſs and folly in the other. Where the maſters, however, really perform their duty, there are no examples, I believe, that the greater part of the ſtudents ever neglect theirs. No diſcipline is ever requiſite to force attendance upon lectures which are really worth the attending, as is well known where-ever any ſuch lectures are given. Force and reſtraint may no doubt be in ſome degree requiſite in order to oblige children or very young boys to attend to thoſe parts of education which it is thought neceſſary for them to acquire during that early period of life; but after twelve or thirteen years of age, provided the maſter does his duty, force or reſtraint can ſcarce ever be neceſſary to carry on any part of education. Such is the generoſity of the greater part of young men, that, ſo far from being diſpoſed to neglect or deſpiſe the inſtructions of their maſter, provided he ſhows ſome ſerious intention of being of uſe to them, they are generally inclined to pardon a great deal of incorrectneſs in the performance of his duty, and ſometimes even to conceal from the publick a good deal of groſs negligence.

THOSE parts of education, it is to be obſerved, for the teaching of which there are no publick inſtitutions, are generally the beſt taught. When a young man goes to a fencing or a dancing ſchool, he does not indeed always learn to fence or to dance very well; but he ſeldom fails of learning to fence or to dance. The good effects of the riding ſchool are not commonly ſo evident. The expence of a

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riding ſchool is ſo great, that in moſt places it is a publick inſtitution. The three moſt eſſential parts of literary education, to read, write, and account, it ſtill continues to be more common to acquire in private than in publick ſchools; and it very ſeldom happens that any body fails of acquiring them to the degree in which it is neceſſary to acquire them.

In England the publick ſchools are much leſs corrupted than the univerſities. In the ſchools the youth are taught, or at leaſt may be taught, Greek and Latin, that is, every thing which the maſters pretend to teach, or which, it is expected, they ſhould teach. In the univerſities the youth neither are taught, nor always can find any proper means of being taught, the ſciences which it is the buſineſs of thoſe incorporated bodies to teach. The reward of the ſchoolmaſter in moſt caſes depends principally, in ſome caſes almoſt entirely, upon the fees or honoraries of his ſcholars. Schools have no excluſive privileges. In order to obtain the honours of graduation, it is not neceſſary that a perſon ſhould bring a certificate of his having ſtudied a certain number of years at a publick ſchool. If upon examination he appears to underſtand what is taught there, no queſtions are aſked about the place where he learnt it.

The parts of education which are commonly taught in univerſities, it may perhaps be ſaid, are not very well taught. But had it not been for thoſe inſtitutions they would not have been commonly taught at all, and both the individual and the public would have ſuffered a good deal from the want of thoſe important parts of education.

The preſent univerſities of Europe were originally, the greater part of them, eccleſiaſtical corporations; inſtituted for the education of churchmen. They were founded by the authority of the

pope, and were ſo entirely under his immediate protection, that their members, whether maſters or ſtudents, had all of them what was then called the benefit of clergy, that is, were exempted from the civil juriſdiction of the countries in which their reſpective univerſities were ſituated, and were amenable only to the eccleſiaſtical tribunals. What was taught in the greater part of thoſe univerſities was, ſuitable to the end of their inſtitution, either theology, or ſomething that was merely preparatory to theology.

When chriſtianity was firſt eſtabliſhed by law, a corrupted latin had become the common language of all the weſtern parts of Europe. The ſervice of the church accordingly, and the tranſlation of the Bible, which was read in churches, were both in that corrupted latin, that is, in the common language of the country. After the irruption of the barbarous nations who overturned the Roman empire, latin gradually ceaſed to be the language of any part of Europe. But the reverence of the people naturally preſerves the eſtabliſhed forms and ceremonies of religion, long after the circumſtances which firſt introduced and rendered them reaſonable are no more. Though latin, therefore, was no longer underſtood any where by the great body of the people, the whole ſervice of the church ſtill continued to be performed in that language. Two different languages were thus eſtabliſhed in Europe, in the ſame manner as in antient Egypt; a language of the prieſts, and a language of the people; a ſacred and a profane; a learned and an unlearned language. But it was neceſſary that the prieſts ſhould underſtand ſomething of that ſacred and learned language in which they were to officiate; and the ſtudy of the latin language therefore made from the beginning an eſſential part of univerſity education.

It was not ſo with that either of the Greek or of the Hebrew language. The infallible decrees of the church had pronounced the

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the latin tranſlation of the Bible, commonly called the Latin Vulgate, to have been equally dictated by divine inſpiration, and therefore of equal authority with the Greek and Hebrew originals. The knowledge of thoſe two languages, therefore, not being indiſpenſibly requiſite to a churchman, the ſtudy of them did not for a long time make a neceſſary part of the common courſe of univerſity education. There are ſome Spaniſh univerſities, I am aſſured, in which the ſtudy of the Greek language has never yet made any part of that courſe. The firſt reformers found the Greek text of the new teſtament and even the Hebrew text of the old more favourable to their opinions than the vulgate tranſlation, which, as might naturally be ſuppoſed, had been gradually accommodated to ſupport the doctrines of the catholic church. They ſet themſelves therefore to expoſe the many errors of that tranſlation, which the Roman catholic clergy were thus put under the neceſſity of defending or explaining. But this could not well be done without ſome knowledge of the original languages, of which the ſtudy was therefore gradually introduced into the greater part of univerſities; both of thoſe which embraced and of thoſe which rejected the doctrines of the reformation. The Greek language was connected with every part of that claſſical learning, which, though at firſt principally cultivated by catholics and Italians, happened to come into faſhion much about the ſame time that the doctrines of the reformation were ſet on foot. In the greater part of univerſities therefore that language was taught previous to the ſtudy of philoſophy, and as ſoon as the ſtudent had made ſome progreſs in the latin. The Hebrew language having no connection with claſſical learning, and, except the holy ſcriptures, being the language of not a ſingle book in any eſteem, the ſtudy of it did not commonly commence till after that of philoſophy, and when the ſtudent had entered upon the ſtudy of theology.

ORIGINALLY

ORIGINALLY the firſt rudiments both of the Greek and Latin languages were taught in univerſities, and they ſtill continue to be ſo in ſome univerſities. In others it is expected that the ſtudent ſhould have previouſly acquired at leaſt the rudiments of one or both of thoſe languages, of which the ſtudy continues to make every where a very conſiderable part of univerſity education.

THE antient Greek philoſophy was divided into three great branches; phyſics, or natural philoſophy; ethics, or moral philoſophy; and logic. This general diviſion ſeems perfectly agreeable to the nature of things.

THE great phenomena of nature, the revolution of the heavenly bodies, eclipſes, comets, thunder, lightning, and other extraordinary meteors, the generation, the life, growth, and diſſolution of plants and animals, are objects which, as they naturally excite the wonder, ſo they neceſſarily call forth the curioſity of mankind to enquire into their cauſes. Superſtition firſt attempted to ſatisfy this curioſity by referring all thoſe wonderful appearances to the immediate agency of the gods. Philoſophy afterwards endeavoured to account for them, from more familiar cauſes, or from ſuch as mankind were better acquainted with, than the agency of the gods. As thoſe great phenomena are the firſt objects of human curioſity, ſo the ſcience which pretends to explain them muſt naturally have been the firſt branch of philoſophy that was cultivated. The firſt philoſophers accordingly of whom hiſtory has preſerved any account, appear to have been natural philoſophers.

IN every age and country of the world men muſt have attended to the characters, deſigns, and actions of one another, and many reputable rules and maxims for the conduct of human life, muſt have been laid down and approved of by common conſent. As

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ſoon as writing came into faſhion, wiſe men, or thoſe who fancied themſelves ſuch, would naturally endeavour to increaſe the number of thoſe eſtabliſhed and reſpected maxims, and to expreſs their own ſenſe of what was either proper or improper conduct, ſometimes in the more artificial form of apologues, like what are called the fables of Æſop; and ſometimes in the more ſimple one of apophthegms, or wiſe ſayings, like the Proverbs of Solomon, the verſes of Theognis and Phocyllides, and ſome part of the works of Heſiod. They might continue in this manner for a long time merely to multiply the number of thoſe maxims of prudence and morality, without even attempting to arrange them in any very diſtinct or methodical order, much leſs to connect them together by one or more general principles, from which they were all deducible like effects from their natural cauſes. The beauty of a ſyſtematical arrangement of different obſervations connected by a few common principles, was firſt ſeen in the rude eſſays of thoſe antient times towards a ſyſtem of natural philoſophy. Something of the ſame kind was afterwards attempted in morals. The maxims of common life were arranged in ſome methodical order, and connected together by a few common principles, in the ſame manner as they had attempted to arrange and connect the phenomena of nature. The ſcience which pretends to inveſtigate and explain thoſe connecting principles, is what is properly called moral philoſophy.

DIFFERENT authors gave different ſyſtems both of natural and moral philoſophy. But the arguments by which they ſupported thoſe different ſyſtems, far from being always demonſtrations, were frequently at beſt but very ſlender probabilities, and ſometimes mere ſophiſms, which had no other foundation but the inaccuracy and ambiguity of common language. Speculative ſyſtems have in all ages of the world been adopted for reaſons too frivolous to have determined the judgement of any man of common ſenſe, in a matter

a matter of the ſmalleſt pecuniary intereſt. Groſs ſophiſtry has ſcarce ever had any influence upon the opinions of mankind, except in matters of philoſophy and ſpeculation; and in theſe it has frequently had the greateſt. The patrons of each ſyſtem of natural and moral philoſophy naturally endeavoured to expoſe the weakneſs of the arguments adduced to ſupport the ſyſtems which were oppoſite to their own. In examining thoſe arguments, they were neceſſarily led to conſider the difference between a probable and a demonſtrative argument, between a fallacious and a concluſive one; and Logic, or the ſcience of the general principles of good and bad reaſoning, neceſſarily aroſe out of the obſervations which a ſcrutiny of this kind gave occaſion to. Though in its origin poſterior both to phyſics and to ethics, it was commonly taught, not indeed in all, but in the greater part of the antient ſchools of philoſophy, previouſly to either of thoſe ſciences. The ſtudent, it ſeems to have been thought, ought to underſtand well the difference between good and bad reaſoning, before he was led to reaſon upon ſubjects of ſo great importance. CHAP. I.

This antient diviſion of philoſophy into three parts was in the greater part of the univerſities of Europe, changed for another into five.

In the antient philoſophy, whatever was taught concerning the nature either of the human mind or of the Deity, made a part of the ſyſtem of phyſics. Thoſe beings, in whatever their eſſence might be ſuppoſed to conſiſt, were parts of the great ſyſtem of the univerſe, and parts too productive of the moſt important effects. Whatever human reaſon could either conclude or conjecture concerning them made, as it were, two chapters, though no doubt two very important ones, of the ſcience which pretended to give an account of the origin and revolutions of the great ſyſtem

of the univerſe. But in the univerſities of Europe, where philoſophy was taught only as ſubſervient to theology, it was natural to dwell longer upon thoſe two chapters than upon any other of the ſcience. Thoſe two chapters were gradually more and more extended, and were divided into many inferior chapters, till at laſt the doctrine of ſpirits, of which ſo little can be known, came to take up as much room in the ſyſtem of philoſophy as the doctrine of bodies, of which ſo much can be known. The doctrines concerning thoſe two ſubjects were conſidered as making two diſtinct ſciences. What was called Metaphyſics or Pneumatics was ſet in oppoſition to Phyſics, and was cultivated not only as the more ſublime, but, for the purpoſes of a particular profeſſion, as the more uſeful ſcience of the two. The proper ſubject of experiment and obſervation, a ſubject in which a careful attention is capable of making ſo many uſeful diſcoveries, was almoſt entirely neglected. The ſubject in which, after a few very ſimple and almoſt obvious truths, the moſt careful attention can diſcover nothing but obſcurity and uncertainty, and can conſequently produce nothing but ſubtleties and ſophiſms, was greatly cultivated.

When thoſe two ſciences had thus been ſet in oppoſition to one another, the compariſon between them naturally gave birth to a third, to what was called Ontology, or the ſcience which treated of the qualities and attributes which were common to both the ſubjects of the other two ſciences. But if ſubtleties and ſophiſms compoſed the greater part of the Metaphyſics or Pneumatics of the ſchools, they compoſed the whole of this cobweb ſcience of Ontology, which was likewiſe ſometimes called Metaphyſics.

Wherein conſiſted the happineſs and perfection of a man, conſidered not only as an individual, but as the member of a family, of a ſtate, and of the great ſociety of mankind, was the object

object which the antient moral philoſophy propoſed to inveſtigate. In that philoſophy the duties of human life were treated of as ſubſervient to the happineſs and perfection of human life. But when moral, as well as natural philoſophy, came to be taught only as ſubſervient to theology, the duties of human life were treated of as chiefly ſubſervient to the happineſs of a life to come. In the antient philoſophy the perfection of virtue was repreſented as neceſſarily productive, to the perſon who poſſeſſed it, of the moſt perfect happineſs in this life. In the modern philoſophy it was frequently repreſented as generally, or rather as almoſt always inconſiſtent with any degree of happineſs in this life; and heaven was to be earned only by penance and mortification, by the auſterities and abaſement of a monk; not by the liberal, generous, and ſpirited conduct of a man. Caſuiſtry and an aſcetic morality made up in moſt caſes the greater part of the moral philoſophy of the ſchools. By far the moſt important of all the different branches of philoſophy, became in this manner by far the moſt corrupted.

Such, therefore, was the common courſe of philoſophical education in the greater part of the univerſities of Europe. Logic was taught firſt: Ontology came in the ſecond place: Pneumatology, comprehending the doctrine concerning the nature of the human ſoul and of the Deity, in the third: In the fourth followed a debaſed ſyſtem of Moral philoſophy, which was conſidered as immediately connected with the doctrines of Pneumatology, with the immortality of the human ſoul, and with the rewards and puniſhments which, from the juſtice of the Deity, were to be expected in a life to come: A ſhort and ſuperficial ſyſtem of Phyſics uſually concluded the courſe.

The alterations which the univerſities of Europe thus introduced into the antient courſe of philoſophy, were all meant for the

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education of eccleſiaſtics, and to render it a more proper introduction to the ſtudy of theology. But the additional quantity of ſubtlety and ſophiſtry; the caſuiſtry and the aſcetic morality which thoſe alterations introduced into it, certainly did not render it more proper for the education of gentlemen or men of the world, or more likely either to improve the underſtanding, or to mend the heart.

This courſe of philoſophy is what ſtill continues to be taught in the greater part of the univerſities of Europe; with more or leſs diligence, according as the conſtitution of each particular univerſity happens to render diligence more or leſs neceſſary to the teachers. In ſome of the richeſt and beſt endowed univerſities the tutors content themſelves with teaching a few unconnected ſhreds and parcels of this corrupted courſe; and even theſe they commonly teach very negligently and ſuperficially.

The improvements which, in modern times, have been made in ſeveral different branches of philoſophy, have not, the greater part of them, been made in univerſities; though ſome no doubt have. The greater part of univerſities have not even been very forward to adopt thoſe improvements after they were made; and ſeveral of thoſe learned ſocieties have choſen to remain for a long time the ſanctuaries in which exploded ſyſtems and obſolete prejudices found ſhelter and protection, after they had been hunted out of every other corner of the world. In general, the richeſt and beſt endowed univerſities have been the ſloweſt in adopting thoſe improvements, and the moſt averſe to permit any conſiderable change in the eſtabliſhed plan of education. Thoſe improvements were more eaſily introduced into ſome of the poorer univerſities, in which the teachers, depending upon their reputation for the greater part of their ſubſiſtence, were obliged to pay more attention to the current opinions of the world.

But though the publick ſchools and univerſities of Europe were originally intended only for the education of a particular profeſſion, that of churchmen; and though they were not always very diligent in inſtructing their pupils even in the ſciences which were ſuppoſed neceſſary for that profeſſion, yet they gradually drew to themſelves the education of almoſt all other people, particularly of almoſt all gentlemen and men of fortune. No better method, it ſeems, could be fallen upon of ſpending, with any advantage, the long interval between infancy and that period of life at which men begin to apply in good earneſt to the real buſineſs of the world, the buſineſs which is to employ them during the remainder of their days. The greater part of what is taught in ſchools and univerſities, however, does not ſeem to be the moſt proper preparation for that buſineſs.

In England, it becomes every day more and more the cuſtom to ſend young people to travel in foreign countries immediately upon their leaving ſchool, and without ſending them to any univerſity. Our young people, it is ſaid, generally return home much improved by their travels. A young man who goes abroad at ſeventeen or eighteen, and returns home at one and twenty, returns three or four years older than he was when he went abroad; and at that age it is very difficult not to improve a good deal in three or four years. In the courſe of his travels he generally acquires ſome knowledge of one or two foreign languages; a knowledge, however, which is ſeldom ſufficient to enable him either to ſpeak or write them with propriety. In other reſpects he commonly returns home more conceited, more unprincipled, more diſſipated, and more incapable of any ſerious application either to ſtudy or to buſineſs, than he could well have become in ſo ſhort a time had he lived at home. By travelling ſo very young, by ſpending in the moſt frivolous diſſipation the moſt precious years of his life, at a diſtance from the inſpec-

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tion and controul of his parents and relations, every uſeful habit which the earlier parts of his education might have had ſome tendency to form in him, inſtead of being rivetted and confirmed, is almoſt neceſſarily either weakened or effaced. Nothing but the diſcredit into which the univerſities are allowing themſelves to fall, could ever have brought into repute ſo very abſurd a practice as that of travelling at this early period of life. By ſending his ſon abroad, a father delivers himſelf, at leaſt for ſome time, from ſo diſagreeable an object as that of a ſon unemployed, neglected, and going to ruin before his eyes.

Such have been the effects of ſome of the modern inſtitutions for education.

Different plans and different inſtitutions for education ſeem to have taken place in other ages and nations.

In the republics of antient Greece, every free citizen was inſtructed, under the direction of the public magiſtrate, in gymnaſtic exerciſes and in muſic. By gymnaſtic exerciſes it was intended to harden his body, to ſharpen his courage, and to prepare him for the fatigues and dangers of war; and as the Greek militia was, by all accounts, one of the beſt that ever was in the world, this part of their public education muſt have anſwered completely the purpoſe for which it was intended. By the other part, muſic, it was propoſed, at leaſt by the philoſophers and hiſtorians who have given us an account of thoſe inſtitutions, to humanize the mind, to ſoften the temper, and to diſpoſe it for performing all the ſocial and moral duties both of public and private life.

In antient Rome the exerciſes of the Campus Martius anſwered the ſame purpoſe as thoſe of the Gymnazium in antient Greece,

and they ſeem to have anſwered it equally well. But among the Romans there was nothing which correſponded to the muſical education of the Greeks. The morals of the Romans, however, both in private and public life, ſeem to have been not only equal, but, upon the whole, a good deal ſuperior to thoſe of the Greeks. That they were ſuperior in private life we have the expreſs teſtimony of Polybius and of Dionyſius of Halicarnaſſus; two authors well acquainted with both nations; and the whole tenor of the Greek and Roman hiſtory bears witneſs to the ſuperiority of the public morals of the Romans. The good temper and moderation of contending factions ſeems to be the moſt eſſential circumſtance in the public morals of a free people. But the factions of the Greeks were almoſt always violent and ſanguinary; whereas, till the time of the Gracchi, no blood had ever been ſhed in any Roman faction; and from the time of the Gracchi the Roman republic may be conſidered as in reality diſſolved. Notwithſtanding, therefore, the very reſpectable authority of Plato, Ariſtotle, and Polybius, and notwithſtanding the very ingenious reaſons by which Mr. Monteſquieu endeavours to ſupport that authority, it ſeems probable that the muſical education of the Greeks had no great effect in mending their morals, ſince, without any ſuch education, thoſe of the Romans were upon the whole ſuperior. The reſpect of thoſe antient ſages for the inſtitutions of their anceſtors had probably diſpoſed them to find much political wiſdom in what was, perhaps, merely an antient cuſtom, continued without interruption from the earlieſt period of thoſe ſocieties to the times in which they had arrived at a conſiderable degree of refinement. Muſic and dancing are the great amuſements of almoſt all barbarous nations, and the great accompliſhments which are ſuppoſed to fit any man for entertaining his ſociety. It is ſo at this day among the negroes on the coaſt of Africa. It was ſo among the antient Celtes, among the antient Scandinavians, and, as we may learn from Homer, among the

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the antient Greeks in the times preceding the Trojan war. When the Greek tribes had formed themſelves into little republics, it was natural that the ſtudy of thoſe accompliſhments ſhould for a long time make a part of the public and common education of the people.

The maſters who inſtructed the young people either in muſic or in military exerciſes, do not ſeem to have been paid, or even appointed by the ſtate, either in Rome, or even in Athens, the Greek republic of whoſe laws and cuſtoms we are the beſt informed. The ſtate required that every free citizen ſhould fit himſelf for defending it in war, and ſhould, upon that account, learn his military exerciſes. But it left him to learn them of ſuch maſters as he could find, and it ſeems to have advanced nothing for this purpoſe but a public field or place of exerciſe, in which he ſhould practiſe and perform them.

In the early ages both of the Greek and Roman republics, the other parts of education ſeem to have conſiſted in learning to read, write, and account, according to the arithmetic of the times. Theſe accompliſhments the richer citizens ſeem frequently to have acquired at home by the aſſiſtance of ſome domeſtic pedagogue, who was generally either a ſlave or a freed-man; and the poorer citizens in the ſchools of ſuch maſters as made a trade of teaching for hire. Such parts of education, however, were abandoned altogether to the care of the parents or guardians of each individual. It does not appear that the ſtate ever aſſumed any inſpection or direction of them. By a law of Solon, indeed, the children were acquitted from maintaining in their old age thoſe parents who had neglected to inſtruct them in ſome profitable trade or buſineſs.

In the progreſs of refinement, when philoſophy and rhetoric came into faſhion, the better ſort of people uſed to ſend their children

dren to the ſchools of philoſophers and rhetoricians, in order to be inſtructed in thoſe faſhionable ſciences. But thoſe ſchools were not ſupported by the public. They were for a long time barely tolerated by it. The demand for philoſophy and rhetoric was for a long time ſo ſmall, that the firſt profeſſed teachers of either could not find conſtant employment in any one city, but were obliged to travel about from place to place. In this manner lived Zeno of Elea, Protagoras, Gorgias, Hippias, and many others. As the demand increaſed, the ſchools both of philoſophy and rhetoric became ſtationary; firſt in Athens, and afterwards in ſeveral other cities. The ſtate however ſeems never to have encouraged them further than by aſſigning to ſome of them a particular place to teach in, which was ſometimes done too by private donors. The ſtate ſeems to have aſſigned the Academy to Plato, the Lyceum to Ariſtotle, and the Portico to Zeno of Citta the founder of the Stoics. But Epicurus bequeathed his gardens to his own ſchool. Till about the time of Marcus Antoninus however, no teacher appears to have had any ſalary from the public, or to have had any other emoluments, but what aroſe from the honoraries or fees of his ſcholars. The bounty which that philoſophical emperor, as we learn from Lucian, beſtowed upon the teachers of philoſophy, probably laſted no longer than his own life. There was nothing equivalent to the privileges of graduation, and to have attended any of thoſe ſchools was not neceſſary, in order to be permitted to practiſe any particular trade or profeſſion. If the opinion of their own utility could not draw ſcholars to them, the law neither forced any body to go to them, nor rewarded any body for having gone to them. The teachers had no juriſdiction over their pupils, nor any other authority beſides that natural authority which ſuperior virtue and abilities never fail to procure from young people towards thoſe who are entruſted with any part of their education.

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At Rome, the ſtudy of the civil law made a part of the education, not of the greater part of the citizens, but of ſome particular families. The young people however, who wiſhed to acquire knowledge in the law, had no public ſchool to go to, and had no other method of ſtudying it than by frequenting the company of ſuch of their relations and friends, as were ſuppoſed to underſtand it. It is perhaps worth while to remark, that though the laws of the twelve tables were many of them copied from thoſe of ſome antient Greek republics, yet law never ſeems to have grown up to be a ſcience in any republic of antient Greece. In Rome it became a ſcience very early, and gave a conſiderable degree of illuſtration to thoſe citizens who had the reputation of underſtanding it. In the republics of antient Greece, particularly in Athens, the ordinary courts of juſtice conſiſted of numerous and therefore diſorderly bodies of people, who frequently decided almoſt at random, or as clamour, faction, and party ſpirit happened to determine. The ignominy of an unjuſt deciſion, when it was to be divided among five hundred, a thouſand, or fifteen hundred people, (for ſome of their courts were ſo very numerous) could not fall very heavy upon any individual. At Rome, on the contrary, the principal courts of juſtice conſiſted either of a ſingle judge, or of a ſmall number of judges, whoſe characters, eſpecially as they deliberated always in public, could not fail to be very much affected by any raſh or unjuſt deciſion. In doubtful caſes, ſuch courts, from their anxiety to avoid blame, would naturally endeavour to ſhelter themſelves under the example or precedent of the judges who had ſat before them either in the ſame or in ſome other court. This attention to practice and precedent neceſſarily formed the Roman law into that regular and orderly ſyſtem in which it has been delivered down to us; and the like attention has had the like effects upon the laws of every other country where ſuch attention has taken place. The ſuperiority of character in the Romans over that of the Greeks, ſo much

much remarked by Polybius and Dionyſius of Halicarnaſſus, was probably more owing to the better conſtitution of their courts of juſtice, than to any of the circumſtances to which thoſe authors aſcribe it. The Romans are ſaid to have been particularly diſtinguiſhed for their ſuperior reſpect to an oath. But the people who were accuſtomed to make oath only before ſome diligent and well informed court of juſtice, would naturally be much more attentive to what they ſwore, than they who were accuſtomed to do the ſame thing before mobbiſh and diſorderly aſſemblies.

The abilities both civil and military of the Greeks and Romans will readily be allowed to have been at leaſt equal to thoſe of any modern nation. Our prejudice is perhaps rather to over-rate them. But except in what related to military exerciſes, the ſtate ſeems to have been at no pains to form thoſe great abilities: for I cannot be induced to believe that the muſical education of the Greeks could be of much conſequence in forming them. Maſters, however, had been found, it ſeems, for inſtructing the better ſort of people among thoſe nations in every art and ſcience in which the circumſtances of their ſociety rendered it neceſſary or convenient for them to be inſtructed. The demand for ſuch inſtruction produced, what it always produces, the talent for giving it; and the emulation which an unreſtrained competition never fails to excite, appears to have brought that talent to a very high degree of perfection. In the attention which the antient philoſophers excited, in the empire which they acquired over the opinions and principles of their auditors, in the faculty which they poſſeſſed of giving a certain tone and character to the conduct and converſation of thoſe auditors; they appear to have been much ſuperior to any modern teachers. In modern times, the diligence of public teachers is more or leſs corrupted by the circumſtances, which render them more or leſs independent of their ſucceſs and reputation in their particular profeſſions. Their ſalaries too put the private teacher, who would pretend to come into competition with

them, in the ſame ſtate with a merchant who attempts to trade without a bounty, in competition with thoſe who trade with a conſiderable one. If he ſells his goods at nearly the ſame price, he cannot have the ſame profit, and poverty and beggary at leaſt, if not bankruptcy and ruin, will infallibly be his lot. If he attempts to ſell them much dearer, he is likely to have ſo few cuſtomers that his circumſtances will not be much mended. The privileges of graduation, beſides, are in many countries neceſſary, or at leaſt extremely convenient to moſt men of learned profeſſions, that is, to the far greater part of thoſe who have occaſion for a learned education. But thoſe privileges can be obtained only by attending the lectures of the public teachers. The moſt careful attendance upon the ableſt inſtructions of any private teacher, cannot always give any title to demand them. It is from theſe different cauſes that the private teacher of any of the ſciences which are commonly taught in univerſities, is in modern times generally conſidered as in the very loweſt order of men of letters. A man of real abilities can ſcarce find out a more humiliating or a more unprofitable employment to turn them to. The endowments of ſchools and colleges have in this manner not only corrupted the diligence of public teachers, but have rendered it almoſt impoſſible to have any good private ones.

Were there no public inſtitutions for education, no ſyſtem, no ſcience would be taught for which there was not ſome demand; or which the circumſtances of the times did not render it, either neceſſary, or convenient, or at leaſt faſhionable to learn. A private teacher could never find his account in teaching either an exploded and antiquated ſyſtem of a ſcience acknowleged to be uſeful, or a ſcience univerſally believed to be a mere uſeleſs and pedantic heap of ſophiſtry and nonſenſe. Such ſyſtems, ſuch ſciences, can ſubſiſt no where but in thoſe incorporated ſocieties for education whoſe proſperity and revenue are in a great meaſure independent of their reputation, and altogether

gether independent of their induſtry. Were there no public inſtitutions for education, a gentleman, after going through with application and abilities the moſt complete courſe of education, which the circumſtances of the times were ſuppoſed to afford, could not come into the world completely ignorant of every thing which is the common ſubject of converſation among gentlemen and men of the world.

THERE are no public inſtitutions for the education of women, and there is accordingly nothing uſeleſs, abſurd, or fantaſtical in the common courſe of their education. They are taught what their parents or guardians judge it neceſſary or uſeful for them to learn; and they are taught nothing elſe. Every part of their education tends evidently to ſome uſeful purpoſe; either to improve the natural attractions of their perſon, or to form their mind to reſerve, to modeſty, to chaſtity, and to oeconomy: to render them both likely to become the miſtreſſes of a family, and to behave properly when they have become ſuch. In every part of her life a woman feels ſome conveniency or advantage from every part of her education. It ſeldom happens that a man in any part of his life derives any conveniency or advantage from ſome of the moſt laborious and troubleſome parts of his education.

OUGHT the public, therefore, to give no attention, it may be aſked, to the education of the people? Or if it ought to give any, what are the different parts of education which it ought to attend to in the different orders of the people? and in what manner ought it to attend to them?

IN ſome caſes the ſtate of the ſociety neceſſarily places the greater part of individuals in ſuch ſituations as naturally form in them, without any attention of government, almoſt all the abilities and virtues which that ſtate requires, or perhaps can admit of.

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of. In other caſes the ſtate of the ſociety does not place the greater part of individuals in ſuch ſituations, and ſome attention of government is neceſſary in order to prevent the almoſt entire corruption and degeneracy of the great body of the people.

In the progreſs of the diviſion of labour, the employment of the far greater part of thoſe who live by labour, that is, of the great body of the people, comes to be confined to a very few ſimple operations; frequently to one or two. But the underſtandings of the greater part of men are neceſſarily formed by their ordinary employments. The man whoſe whole life is ſpent in performing a few ſimple operations, of which the effects too are, perhaps, always the ſame, or very nearly the ſame, has no occaſion to exert his underſtanding, or to exerciſe his invention in finding out expedients for removing difficulties which never occur. He naturally loſes, therefore, the habit of ſuch exertion, and generally becomes as ſtupid and ignorant as it is poſſible for a human creature to become. The torpor of his mind renders him, not only incapable of reliſhing or bearing a part in any rational converſation, but of conceiving any generous, noble, or tender ſentiment, and conſequently of forming any juſt judgement concerning many even of the ordinary duties of private life. Of the great and extenſive intereſts of his country, he is altogether incapable of judging; and unleſs very particular pains have been taken to render him otherwiſe, he is equally incapable of defending his country in war. The uniformity of his ſtationary life naturally corrupts the courage of his mind, and makes him regard with abhorrence the irregular, uncertain, and adventurous life of a ſoldier. It corrupts even the activity of his body, and renders him incapable of exerting his ſtrength with vigour and perſeverance in any other employment than that to which he has been bred. His dexterity at his own particular trade ſeems in this manner to be acquired at the expence of his intellectual,

ſocial, and martial virtues. But in every improved and civilized ſociety this is the ſtate into which the labouring poor, that is, the great body of the people, muſt neceſſarily fall, unleſs government takes ſome pains to prevent it.

It is otherwiſe in the barbarous ſocieties, as they are commonly called, of hunters, of ſhepherds, and even of huſbandmen in that rude ſtate of huſbandry which precedes the improvement of manufactures, and the extenſion of foreign commerce. In ſuch ſocieties the varied occupations of every man oblige every man to exert his capacity, and to invent expedients for removing difficulties which are continually occurring. Invention is kept alive, and the minds of men are not ſuffered to fall into that drowſy ſtupidity which in a civilized ſociety ſeems to benumb the underſtanding of almoſt all the inferior ranks of people. In thoſe barbarous ſocieties, as they are called, every man, it has already been obſerved, is a warrior. Every man too is in ſome meaſure a ſtateſman, and can form a tolerable judgement concerning the intereſt of the ſociety, and the conduct of thoſe who govern it. How far their chiefs are good judges in peace, or good leaders in war, is obvious to the obſervation of almoſt every ſingle man among them. In ſuch a ſociety indeed, no man can well acquire that improved and refined underſtanding which a few men ſometimes poſſeſs in a more civilized ſtate. Though in a rude ſociety there is a good deal of variety in the occupations of every individual, there is not a great deal in thoſe of the whole ſociety. Every man does, or is capable of doing, almoſt every thing which any other man does or is capable of doing. Every man has a conſiderable degree of knowledge, ingenuity and invention; but ſcarce any man has a great degree. The degree, however, which is commonly poſſeſſed, is generally ſufficient for conducting the whole ſimple buſineſs of the ſociety. In a civilized ſtate, on the contrary, though there is little variety in the occupations of the

greater

greater part of individuals, there is an almoſt infinite variety in thoſe of the whole ſociety. Theſe varied occupations preſent an almoſt infinite variety of objects to the contemplation of thoſe few who, being attached to no particular occupation themſelves, have leiſure and inclination to examine the occupations of other people. The contemplation of ſo great a variety of objects neceſſarily exerciſes their minds in endleſs compariſons and combinations, and renders their underſtandings in an extraordinary degree both acute and comprehenſive. Unleſs thoſe few, however, happen to be placed in ſome very particular ſituations, their great abilities, though honourable to themſelves, may contribute very little to the good government or happineſs of their ſociety. Notwithſtanding the great abilities of thoſe few, all the nobler parts of the human character may be in a great meaſure obliterated and extinguiſhed in the great body of the people.

The education of the common people requires, perhaps, in a civilized and commercial ſociety, the attention of the public more than that of people of ſome rank and fortune. People of ſome rank and fortune are generally eighteen or nineteen years of age before they enter upon that particular buſineſs, profeſſion, or trade, by which they propoſe to diſtinguiſh themſelves in the world. They have before that full time to acquire, or at leaſt to fit themſelves for afterwards acquiring, every accompliſhment which can recommend them to the public eſteem, or render them worthy of it. Their parents or guardians are generally ſufficiently anxious that they ſhould be ſo accompliſhed, and are in moſt caſes willing enough to lay out the expence which is neceſſary for that purpoſe. If they are not always properly educated, it is ſeldom from the want of expence laid out upon their education; but from the improper application of that expence. It is ſeldom from the want of maſters; but from the negligence and incapacity of the maſters who are to be had, and

from the difficulty, or rather from the impoſſibility which there is in the preſent ſtate of things of finding any better. The employments too in which people of ſome rank or fortune ſpend the greater part of their lives are not, like thoſe of the common people, ſimple and uniform. They are almoſt all of them extremely complicated, and ſuch as exerciſe the head more than the hands. The underſtandings of thoſe who are engaged in ſuch employments can ſeldom grow torpid from want of exerciſe. The employments of people of ſome rank and fortune, beſides, are ſeldom ſuch as harraſs them from morning to night. They generally have a good deal of leiſure, during which they may perfect themſelves in every branch either of uſeful or ornamental knowledge of which they may have laid the foundation, or for which they may have acquired ſome taſte in the earlier part of life.

It is otherwiſe with the common people. They have little time to ſpare for education. Their parents can ſcarce afford to maintain them even in infancy. As ſoon as they are able to work, they muſt apply to ſome trade by which they can earn their ſubſiſtence. That trade too is generally ſo ſimple and uniform as to give little exerciſe to the underſtanding, while at the ſame time their labour is both ſo conſtant and ſo ſevere, that it leaves them little leiſure and leſs inclination to apply to, or even to think of any thing elſe.

But though the common people cannot in any civilized ſociety be ſo well inſtructed as people of ſome rank and fortune, the moſt eſſential parts of education, however, to read, write, and account, can be acquired at ſo early a period of life, that the greater part even of thoſe who are to be bred to the loweſt occupations, have time to acquire them before they can be employed in thoſe occupations. For a very ſmall expence the public can facilitate, can encourage, and can even impoſe upon almoſt the whole body of

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the people, the neceſſity of acquiring thoſe moſt eſſential parts of education.

The public can facilitate this acquiſition by eſtabliſhing in every pariſh or diſtrict a little ſchool, where children may be taught for a reward ſo moderate, that even a common labourer may afford it; the maſter being partly, but not wholly paid by the public; becauſe if he was wholly, or even principally paid by it, he would ſoon learn to neglect his buſineſs. In Scotland the eſtabliſhment of ſuch pariſh ſchools has taught almoſt the whole common people to read, and a very great proportion of them to write and account. In England the eſtabliſhment of charity ſchools has had an effect of the ſame kind, though not ſo univerſally, becauſe the eſtabliſhment is not ſo univerſal. If in thoſe little ſchools the books by which the children are taught to read were a little more inſtructive than they commonly are; and if, inſtead of the little ſmattering of Latin, which the children of the common people are ſometimes taught there, and which can ſcarce ever be of any uſe to them, they were inſtructed in the elementary parts of geometry and mechanics, the literary education of this rank of people would perhaps be as complete as it is capable of being. There is ſcarce a common trade which does not afford ſome opportunities of applying to it the principles of geometry and mechanics, and which would not therefore gradually exerciſe and improve the common people in thoſe principles, the neceſſary introduction to the moſt ſublime as well as to the moſt uſeful ſciences.

The public can encourage the acquiſition of thoſe moſt eſſential parts of education by giving ſmall premiums, and little badges of diſtinction, to the children of the common people who excel in them.

The public can impoſe upon almoſt the whole body of the people the neceſſity of acquiring thoſe moſt eſſential parts of education, by obliging every man to undergo an examination or probation in them before

before he can obtain the freedom in any corporation, or be allowed to ſet up any trade either in a village or town corporate.

It was in this manner, by facilitating the acquiſition of their military and gymnaſtic exerciſes, by encouraging it, and even by impoſing upon the whole body of the people the neceſſity of learning thoſe exerciſes, that the Greek and Roman republics maintained the martial ſpirit of their reſpective citizens. They facilitated the acquiſition of thoſe exerciſes by appointing a certain place for learning and practiſing them, and by granting to certain maſters the privilege of teaching in that place. Thoſe maſters do not appear to have had either ſalaries or excluſive privileges of any kind. Their reward conſiſted altogether in what they got from their ſcholars; and a citizen who had learnt his exerciſes in the public Gymnaſia, had no ſort of legal advantage over one who had learnt them privately, provided the latter had learnt them equally well. Thoſe republics encouraged the acquiſition of thoſe exerciſes by beſtowing little premiums and badges of diſtinction upon thoſe who excelled in them. To have gained a prize in the Olympic, Iſthmian or Nemæan games, gave illuſtration not only to the perſon who gained it, but to his whole family and kindred. The obligation which every citizen was under to ſerve a certain number of years, if called upon, in the armies of the republic, ſufficiently impoſed the neceſſity of learning thoſe exerciſes without which he could not be fit for that ſervice.

That in the progreſs of improvement the practice of military exerciſes, unleſs government takes proper pains to ſupport it, goes gradually to decay, and, together with it, the martial ſpirit of the great body of the people, the example of modern Europe ſufficiently demonſtrates. But the ſecurity of every ſociety muſt always depend, more or leſs, upon the martial ſpirit of the great body of the people. In the preſent times, indeed, that martial ſpirit alone,

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and unſupported by a well diſciplined ſtanding army, would not perhaps be ſufficient for the defence and ſecurity of any ſociety. But where every citizen had the ſpirit of a ſoldier, a ſmaller ſtanding army would ſurely be requiſite. That ſpirit beſides would neceſſarily diminiſh very much the dangers to liberty, whether real or imaginary, which are commonly apprehended from a ſtanding army. As it would very much facilitate the operations of that army againſt a foreign invader, ſo it would obſtruct them as much if unfortunately they ſhould ever be directed againſt the conſtitution of the ſtate.

The antient inſtitutions of Greece and Rome ſeem to have been much more effectual for maintaining the martial ſpirit of the great body of the people than the eſtabliſhment of what are called the militias of modern times. They were much more ſimple. When they were once eſtabliſhed, they executed themſelves, and it required little or no attention from government to maintain them in the moſt perfect vigour. Whereas to maintain even in tolerable execution the complex regulations of any modern militia, requires the continual and painful attention of government, without which they are conſtantly falling into total neglect and diſuſe. The influence beſides of the antient inſtitutions was much more univerſal. By means of them the whole body of the people was completely inſtructed in the uſe of arms. Whereas it is but a very ſmall part of them who can ever be ſo inſtructed by the regulations of any modern militia; except, perhaps, that of Switzerland. But a coward, a man incapable either of defending or of revenging himſelf, evidently wants one of the moſt eſſential parts of the character of a man. He is as much mutilated and deformed in his mind as another is in his body, who is either deprived of ſome of its moſt eſſential members, or has loſt the uſe of thoſe members. He is evidently the more wretched and miſerable of the two; becauſe happineſs and miſery,

miſery, which reſide altogether in the mind, muſt neceſſarily depend more upon the healthful or unhealthful, the mutilated or entire ſtate of the mind, than upon that of the body. Even though the martial ſpirit of the people were of no uſe towards the defence of the ſociety, yet to prevent that ſort of mental mutilation, deformity and wretchedneſs which cowardice neceſſarily involves in it, from ſpreading themſelves through the great body of the people, would ſtill deſerve the moſt ſerious attention of government; in the ſame manner as it would deſerve its moſt ſerious attention to prevent a leproſy or any other loathſome and offenſive diſeaſe, though neither mortal nor dangerous, from ſpreading itſelf among them; though perhaps no other public good might reſult from ſuch attention beſides the prevention of ſo great a public evil.

The ſame thing may be ſaid of the groſs ignorance and ſtupidity which, in a civilized ſociety, ſeem ſo frequently to benumb the underſtandings of all the inferior ranks of people. A man, without the proper uſe of the intellectual faculties of a man, is, if poſſible, more contemptible than even a coward, and ſeems to be mutilated and deformed in a ſtill more eſſential part of the character of human nature. Though the ſtate was to derive no advantage from the inſtruction of the inferior ranks of people, it would ſtill deſerve its attention that they ſhould not be altogether uninſtructed. The ſtate, however, derives no inconſiderable advantage from their inſtruction. The more they are inſtructed, the leſs liable they are to the deluſions of enthuſiaſm and ſuperſtition, which, among ignorant nations, frequently occaſion the moſt dreadful diſorders. An inſtructed and intelligent people beſides are always more decent and orderly than an ignorant and ſtupid one. They feel themſelves each individually more reſpectable, and more likely to obtain the reſpect of their lawful ſuperiors, and they are therefore more diſpoſed to reſpect thoſe ſuperiors. They are more diſpoſed to

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examine, and more capable of ſeeing through, the intereſted complaints of faction and ſedition, and they are, upon that account, leſs apt to be miſled into any wanton or unneceſſary oppoſition to the meaſures of government. In free countries, where the ſafety of government depends very much upon the favourable judgement which the people may form of its conduct, it muſt ſurely be of the higheſt importance that they ſhould not be diſpoſed to judge raſhly or capriciouſly concerning it.

ARTICLE III.

Of the Expence of the Inſtitutions for the Inſtruction of People of all Ages.

THE inſtitutions for the inſtruction of people of all ages are chiefly thoſe for religious inſtruction. This is a ſpecies of inſtruction of which the object is not ſo much to render the people good citizens in this world, as to prepare them for another and a better world in a life to come. The teachers of the doctrine which contains this inſtruction, in the ſame manner as other teachers, may either depend altogether for their ſubſiſtence upon the voluntary contributions of their hearers; or they may derive it from ſome other fund to which the law of their country may entitle them; ſuch as a landed eſtate, a tythe or land-tax, an eſtabliſhed ſalary or ſtipend. Their exertion, their zeal and induſtry, are likely to be much greater in the former ſituation than in the latter. In this reſpect the teachers of new religions have always had a conſiderable advantage in attacking thoſe antient and eſtabliſhed ſyſtems of which the clergy, repoſing themſelves upon their benefices, had neglected to keep up the fervour of faith and devotion in the great body of the people; and having given themſelves up to indolence, were become altogether incapable of making any vigorous exertion in defence even of their own eſtabliſhment. The clergy of an eſtabliſhed and well endowed religion frequently become men of learning and elegance, who poſſeſs all the virtues of gentlemen, or which

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can recommend them to the eſteem of gentlemen; but they are apt gradually to loſe the qualities, both good and bad, which gave them authority and influence with the inferior ranks of people, and which had perhaps been the original cauſes of the ſucceſs and eſtabliſhment of their religion. Such a clergy, when attacked by a ſet of popular and bold, though perhaps ſtupid and ignorant enthuſiaſts, feel themſelves as perfectly defenceleſs as the indolent, effeminate, and full-fed nations of the ſouthern parts of Aſia, when they were invaded by the active, hardy, and hungry Tartars of the North. Such a clergy, upon ſuch an emergency, have commonly no other reſource than to call upon the civil magiſtrate to perſecute, deſtroy, or drive out their adverſaries as diſturbers of the public peace. It was thus that the Roman catholic clergy called upon the civil magiſtrate to perſecute the proteſtants; and the church of England to perſecute the diſſenters; and that in general every religious ſect, when it has once enjoyed for a century or two the ſecurity of a legal eſtabliſhment, has found itſelf incapable of making any vigorous defence againſt any new ſect which choſe to attack its doctrine or diſcipline. Upon ſuch occaſions the advantage in point of learning and good writing may ſometimes be on the ſide of the eſtabliſhed church. But the arts of popularity, all the arts of gaining proſelytes, are conſtantly on the ſide of its adverſaries. In England thoſe arts have been long neglected by the well-endowed clergy of the eſtabliſhed church, and are at preſent chiefly culitvated by the diſſenters and by the methodiſts. The independent proviſions, however, which in many places have been made for diſſenting teachers, by means of voluntary ſubſcriptions, of truſt-rights, and other evaſions of the law, ſeem very much to have abated the zeal and activity of thoſe teachers. They have many of them become very learned, ingenious, and reſpectable men; but they have in general ceaſed to be very popular preachers. The methodiſts, without half the learning of the diſſenters, are much more in vogue.

In the church of Rome the induſtry and zeal of the inferior clergy is kept more alive by the powerful motive of ſelf-intereſt than perhaps in any eſtabliſhed proteſtant church. The parochial clergy derive, many of them, a very conſiderable part of their ſubſiſtence from the voluntary oblations of the people; a ſource of revenue which confeſſion gives them many opportunities of improving. The mendicant orders derive their whole ſubſiſtence from ſuch oblations. It is with them, as with the huſſars and light infantry of ſome armies, no plunder, no pay. The parochial clergy are like thoſe teachers whoſe reward depends partly upon their ſalary, and partly upon the fees or honoraries which they get from their pupils, and theſe muſt always depend more or leſs upon their induſtry and reputation. The mendicant orders are like thoſe teachers whoſe ſubſiſtence depends altogether upon their induſtry. They are obliged, therefore, to uſe every art which can animate the devotion of the common people. The eſtabliſhment of the two great mendicant orders of St. Dominick and St. Francis, it is obſerved by Machiavel, revived, in the thirteenth and fourteenth centuries, the languiſhing faith and devotion of the catholic church. In Roman catholic countries the ſpirit of devotion is ſupported altogether by the monks and by the poorer parochial clergy. The great dignitaries of the church, with all the accompliſhments of gentlemen and men of the world, and ſometimes with thoſe of men of learning, are careful enough to maintain the neceſſary diſcipline over their inferiors, but ſeldom give themſelves any trouble about the inſtruction of the people.

"Most of the arts and profeſſions in a ſtate," ſays, by far the moſt illuſtrious philoſopher and hiſtorian of the preſent age, "are "of ſuch a nature, that, while they promote the intereſts of the "ſociety, they are alſo uſeful or agreeable to ſome individuals; "and in that caſe, the conſtant rule of the magiſtrate, except, "perhaps,

" perhaps, on the firſt introduction of any art, is, to leave the " profeſſion to itſelf, and truſt its encouragement to the indivi- " duals who reap the benefit of it. The artizans finding their " profits to riſe by the favour of their cuſtomers, increaſe, as " much as poſſible, their ſkill and induſtry; and as matters are " not diſturbed by any injudicious tampering, the commodity is " always ſure to be at all times nearly proportioned to the " demand.

" But there are alſo ſome callings, which, though uſeful and " even neceſſary in a ſtate, bring no advantage or pleaſure to any " individual, and the ſupreme power is obliged to alter its conduct " with regard to the retainers of thoſe profeſſions. It muſt give " them publick encouragement in order to their ſubſiſtence; and it " muſt provide againſt that negligence to which they will naturally " be ſubject, either by annexing particular honours to the profeſ- " ſion, by eſtabliſhing a long ſubordination of ranks and a ſtrict " dependance, or by ſome other expedient. The perſons employed " in the finances, fleets, and magiſtracy, are inſtances of this order " of men."

" It may naturally be thought, at firſt ſight, that the eccle- " ſiaſtics belong to the firſt claſs, and that their encouragement, as " well as that of lawyers and phyſicians, may ſafely be entruſted to " the liberality of individuals, who are attached to their doctrines, " and who find benefit or conſolation from their ſpiritual miniſtry " and aſſiſtance. Their induſtry and vigilance will, no doubt, be " whetted by ſuch an additional motive; and their ſkill in the " profeſſion, as well as their addreſs in governing the minds of the " people, muſt receive daily increaſe, from their increaſing practice, " ſtudy, and attention.

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"BUT if we conſider the matter more cloſely, we ſhall find, that "this intereſted diligence of the clergy is what every wiſe legiſlator "will ſtudy to prevent; becauſe in every religion except the true, "it is highly pernicious, and it has even a natural tendency to "pervert the true, by infuſing into it a ſtrong mixture of ſuper- "ſtition, folly, and deluſion. Each ghoſtly practitioner, in order "to render himſelf more precious and ſacred in the eyes of his "retainers, will inſpire them with the moſt violent abhorrence of "all other ſects, and continually endeavour, by ſome novelty, to "excite the languid devotion of his audience. No regard will be "paid to truth, morals, or decency in the doctrines inculcated. "Every tenet will be adopted that beſt ſuits the diſorderly affections "of the human frame. Cuſtomers will be drawn to each conven- "ticle by new induſtry and addreſs in practiſing on the paſſions "and credulity of the populace. And in the end, the civil "magiſtrate will find, that he has dearly paid for his pretended "frugality, in ſaving a fixed eſtabliſhment for the prieſts; and "that in reality the moſt decent and advantageous compoſition, "which he can make with the ſpiritual guides, is to bribe their "indolence, by aſſigning ſtated ſalaries to their profeſſion, and "rendering it ſuperfluous for them to be farther active, than "merely to prevent their flock from ſtraying in queſt of new "paſtures. And in this manner eccleſiaſtical eſtabliſhments, though "commonly they aroſe at firſt from religious views, prove in the "end advantageous to the political intereſts of ſociety."

BUT whatever may have been the good or bad effects of the independent proviſion of the clergy; it has, perhaps, been very ſeldom beſtowed upon them from any view to thoſe effects. Times of violent religious controverſy have generally been times of equally violent political faction. Upon ſuch occaſions each political party has either found it, or imagined it, for its intereſt to league

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itſelf with ſome one or other of the contending religious ſects. But this could be done only by adopting, or at leaſt by favouring, the tenets of that particular ſect. The ſect which had the good fortune to be leagued with the conquering party, neceſſarily ſhared in the victory of its ally, by whoſe favour and protection it was ſoon enabled in ſome degree to ſilence and ſubdue all its adverſaries. Thoſe adverſaries had generally leagued themſelves with the enemies of the conquering party, and were therefore the enemies of that party. The clergy of this particular ſect having thus become complete maſters of the field, and their influence and authority with the great body of the people being in its higheſt vigour, they were powerful enough to over-awe the chiefs and leaders of their own party, and to oblige the civil magiſtrate to reſpect their opinions and inclinations. Their firſt demand was generally, that he ſhould ſilence and ſubdue all their adverſaries; and their ſecond, that he ſhould beſtow an independent proviſion on themſelves. As they had generally contributed a good deal to the victory, it ſeemed not unreaſonable that they ſhould have ſome ſhare in the ſpoil. They were weary beſides of humouring the people, and of depending upon their caprice for a ſubſiſtence. In making this demand therefore they conſulted their own eaſe and comfort, without troubling themſelves about the effect which it might have in future times upon the influence and authority of their order. The civil magiſtrate, who could comply with this demand only by giving them ſomething which he would have choſen much rather to take or to keep to himſelf, was ſeldom very forward to grant it. Neceſſity, however, always forced him to ſubmit at laſt, though frequently not till after many delays, evaſions, and affected excuſes.

But if politics had never called in the aid of religion, had the conquering party never adopted the tenets of one ſect more than thoſe of another, when it had gained the victory, it would proba-

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bly have dealt equally and impartially with all the different ſects, and have allowed every man to chuſe his own prieſt and his own religion as he thought proper. There would in this caſe, no doubt, have been a great multitude of religious ſects. Almoſt every different congregation might probably have made a little ſect by itſelf, or have entertained ſome peculiar tenets of its own. Each teacher would no doubt have felt himſelf under the neceſſity of making the utmoſt exertion, and of uſing every art both to preſerve and to increaſe the number of his diſciples. But as every other teacher would have felt himſelf under the ſame neceſſity; the ſucceſs of no one teacher, or ſect of teachers, could have been very great. The intereſted and active zeal of religious teachers can be dangerous and troubleſome only where there is either but one ſect tolerated in the ſociety, or where the whole of a large ſociety is divided into two or three great ſects; the teachers of each ſect acting by concert, and under a regular diſcipline and ſubordination. But that zeal muſt be altogether innocent where the ſociety is divided into two or three hundred, or perhaps into as many thouſand ſmall ſects, of which no one could be conſiderable enough to diſturb the publick tranquillity. The teachers of each ſect, ſeeing themſelves ſurrounded on all ſides with more adverſaries than friends, would be obliged to learn that candour and moderation which is ſo ſeldom to be found among the teachers of thoſe great ſects, whoſe tenets being ſupported by the civil magiſtrate, are held in veneration by almoſt all the inhabitants of extenſive kingdoms and empires, and who therefore ſee nothing round them but followers, diſciples, and humble admirers. The teachers of each little ſect, finding themſelves almoſt alone, would be obliged to reſpect thoſe of almoſt every other ſect, and the conceſſions which they would mutually find it both convenient and agreeable to make to one another, might in time probably reduce the doctrine of the greater part of them to that pure and rational religion, free from every mixture of abſurdity, impoſture, or fanaticiſm,

fanaticiſm, ſuch as wiſe men have in all ages of the world wiſhed to ſee eſtabliſhed; but ſuch as poſitive law has perhaps never yet eſtabliſhed, and probably never will eſtabliſh in any country: becauſe with regard to religion, poſitive law always has been, and probably always will be, more or leſs influenced by popular ſuperſtition and enthuſiaſm. This plan of eccleſiaſtical government, or more properly of no eccleſiaſtical government, was what the ſect called independents, a ſect no doubt of very wild enthuſiaſts, propoſed to eſtabliſh in England towards the end of the civil war. If it had been eſtabliſhed, though of a very unphiloſophical origin, it would probably by this time have been productive of the moſt philoſophical good temper and moderation with regard to every ſort of religious principle. It has been eſtabliſhed in Penſylvania, where, though the quakers happen to be the moſt numerous ſect, the law in reality favours no one ſect more than another, and it is there ſaid to have been productive of this philoſophical good temper and moderation.

But though this equality of treatment ſhould not be productive of this good temper and moderation in all, or even in the greater part of the religious ſects of a particular country; yet provided thoſe ſects were ſufficiently numerous, and each of them conſequently too ſmall to diſturb the publick tranquillity, the exceſſive zeal of each ſect for its particular tenets, could not well be productive of any very hurtful effects, but, on the contrary, of ſeveral good ones: and if the government was perfectly decided both to let them all alone, and to oblige them all to let alone one another, there is little danger that they would not of their own accord ſubdivide themſelves faſt enough, ſo as ſoon to become ſufficiently numerous.

In every civilized ſociety, in every ſociety where the diſtinction of ranks has once been completely eſtabliſhed, there have been always

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always two different ſchemes or ſyſtems of morality current at the ſame time; of which the one may be called the ſtrict or auſtere; the other the liberal, or, if you will, the looſe ſyſtem. The former is generally admired and revered by the common people: The latter is commonly more eſteemed and adopted by what are called people of faſhion. The degree of diſapprobation with which we ought to mark the vices of levity, the vices which are apt to ariſe from great proſperity, and from the exceſs of gaiety and good humour, ſeems to conſtitute the principal diſtinction between thoſe two oppoſite ſchemes or ſyſtems. In the liberal or looſe ſyſtem, luxury, wanton and even diſorderly mirth, the purſuit of pleaſure to ſome degree of intemperance, the breach of chaſtity, at leaſt in one of the two ſexes, &c. provided they are not accompanied with groſs indecency, and do not lead to falſhood or injuſtice, are generally treated with a good deal of indulgence, and are eaſily either excuſed or pardoned altogether. In the auſtere ſyſtem, on the contrary, thoſe exceſſes are regarded with the utmoſt abhorrence and deteſtation. The vices of levity are always ruinous to the common people, and a ſingle week's thoughtleſneſs and diſſipation is often ſufficient to undo a poor workman for ever, and to drive him through deſpair upon committing the moſt enormous crimes. The wiſer and better ſort of the common people, therefore, have always the utmoſt abhorrence and deteſtation of ſuch exceſſes, which their experience tells them are ſo immediately fatal to people of their condition. The diſorder and extravagance of ſeveral years, on the contrary, will not always ruin a man of faſhion, and people of that rank are very apt to conſider the power of indulging in ſome degree of exceſs as one of the advantages of their fortune, and the liberty of doing ſo without cenſure or reproach, as one of the privileges which belong to their ſtation. In people of their own ſtation, therefore, they regard ſuch exceſſes with but a ſmall degree of diſapprobation, and cenſure them either very ſlightly or not at all.

ALMOST all religious ſects have begun among the common people, from whom they have generally drawn their earlieſt, as well as their moſt numerous proſelytes. The auſtere ſyſtem of morality has, accordingly, been adopted by thoſe ſects almoſt conſtantly, or with very few exceptions; for there have been ſome. It was the ſyſtem by which they could beſt recommend themſelves to that order of people to whom they firſt propoſed their plan of reformation upon what had been before eſtabliſhed. Many of them, perhaps the greater part of them, have even endeavoured to gain credit by refining upon this auſtere ſyſtem, and by carrying it to ſome degree of folly and extravagance; and this exceſſive rigour has frequently recommended them more than any thing elſe to the reſpect and veneration of the common people.

A MAN of rank and fortune is by his ſtation the diſtinguiſhed member of a great ſociety, who attend to every part of his conduct, and who thereby oblige him to attend to every part of it himſelf. His authority and conſideration depend very much upon the reſpect which this ſociety bears to him. He dare not do any thing which would diſgrace or diſcredit him in it, and he is obliged to a very ſtrict obſervation of that ſpecies of morals, whether liberal or auſtere, which the general conſent of this ſociety preſcribes to perſons of his rank and fortune. A man of low condition, on the contrary, is far from being a diſtinguiſhed member of any great ſociety. While he remains in a country village his conduct may be attended to, and he may be obliged to attend to it himſelf. In this ſituation, and in this ſituation only, he may have what is called a character to loſe. But as ſoon as he comes into a great city, he is ſunk in obſcurity and darkneſs. His conduct is obſerved and attended to by nobody, and he is therefore very likely to neglect it himſelf, and to abandon himſelf to every ſort of low profligacy and vice. He never emerges ſo effectually from this obſcurity, his conduct never excites ſo much the

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the attention of any reſpectable ſociety, as by his becoming the member of a ſmall religious ſect. He from that moment acquires a degree of conſideration which he never had before. All his brother ſectaries are, for the credit of the ſect, intereſted to obſerve his conduct, and if he gives occaſion to any ſcandal, if he deviates very much from thoſe auſtere morals which they almoſt always require of one another, to puniſh him by what is always a very ſevere puniſhment, even where no civil effects attend it, expulſion or excommunication from the ſect. In little religious ſects, accordingly, the morals of the common people have been almoſt always remarkably regular and orderly; generally much more ſo than in the eſtabliſhed church. The morals of thoſe little ſects indeed have frequently been rather diſagreeably rigorous and unſocial.

THERE are two very eaſy and effectual remedies, however, by whoſe joint operation the ſtate might, without violence, correct whatever was unſocial or diſagreeably rigorous in the morals of all the little ſects into which the country was divided.

THE firſt of thoſe remedies is the ſtudy of ſcience and philoſophy, which the ſtate might render almoſt univerſal among all people of middling or more than middling rank and fortune; not by giving ſalaries to teachers in order to make them negligent and idle, but by inſtituting ſome ſort of probation, even in the higher and more difficult ſciences, to be undergone by every perſon before he was permitted to exerciſe any liberal profeſſion, or before he could be received as a candidate for any honourable office of truſt or profit. If the ſtate impoſed upon this order of men the neceſſity of learning, it would have no occaſion to give itſelf any trouble about providing them with proper teachers. They would ſoon find better teachers for themſelves than any whom the ſtate could provide for them. Science is the

great antidote to the poiſon of enthuſiaſm and ſuperſtition; and where all the ſuperior ranks of people were ſecured from it, the inferior ranks could not be much expoſed to it. CHAP. I.

The ſecond of thoſe remedies is the frequency and gaiety of public diverſions. The ſtate, by encouraging, that is by giving entire liberty to all thoſe who for their own intereſt would attempt, without ſcandal or indecency, to amuſe and divert the people by painting, poetry, muſic, dancing; by all ſorts of dramatic repreſentations and exhibitions, would eaſily diſſipate in the greater part of them that melancholy and gloomy humour which is almoſt always the nurſe of popular ſuperſtition and enthuſiaſm. Public diverſions have always been the objects of dread and hatred, to all the fanatical promoters of thoſe popular frenzies. The gaiety and good humour which thoſe diverſions inſpire were altogether inconſiſtent with that temper of mind, which was fitteſt for their purpoſe, or which they could beſt work upon. Dramatic repreſentations beſides, frequently expoſing their artifices to public ridicule, and ſometimes even to public execration, were upon that account more than all other diverſions the objects of their peculiar abhorrence.

In a country where the law favoured the teachers of no one religion more than thoſe of another, it would not be neceſſary that any of them ſhould have any particular or immediate dependency upon the ſovereign or executive power; or that he ſhould have any thing to do either in appointing or in diſmiſſing them from their offices. In ſuch a ſituation he would have no occaſion to give himſelf any concern about them, further than to keep the peace among them in the ſame manner as among the reſt of his ſubjects; that is, to hinder them from perſecuting, abuſing, or oppreſſing one another. But it is quite otherwiſe in countries where there is an eſtabliſhed or

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governing religion. The ſovereign can in this caſe never be ſecure, unleſs he has the means of influencing in a conſiderable degree the greater part of the teachers of that religion.

The clergy of every eſtabliſhed church conſtitute a great incorporation. They can act in concert, and purſue their intereſt upon one plan and with one ſpirit, as much as if they were under the direction of one man; and they are frequently too under ſuch direction. Their intereſt as an incorporated body is never the ſame with that of the ſovereign, and is ſometimes directly oppoſite to it. Their great intereſt is to maintain their authority with the people; and this authority depends upon the ſuppoſed certainty and importance of the whole doctrine which they inculcate, and upon the ſuppoſed neceſſity of adopting every part of it with the moſt implicit faith, in order to avoid eternal miſery. Should the ſovereign have the imprudence to appear either to deride or doubt himſelf of the moſt trifling part of their doctrine, or from humanity attempt to protect thoſe who did either the one or the other, the punctilious honour of a clergy who have no ſort of dependency upon him, is immediately provoked to proſcribe him as a profane perſon, and to employ all the terrors of religion in order to oblige the people to transfer their allegiance to ſome more orthodox and obedient prince. Should he oppoſe any of their pretenſions or uſurpations, the danger is equally great. The princes who have dared in this manner to rebel againſt the church, over and above this crime of rebellion, have generally been charged too with the additional crime of hereſy, notwithſtanding their ſolemn proteſtations of their faith and humble ſubmiſſion to every tenet which ſhe thought proper to preſcribe to them. But the authority of religion is ſuperior to every other authority. The fears which it ſuggeſts conquer all other fears. When the authoriſed teachers of religion propagate through the great body of the people

people doctrines ſubverſive of the authority of the ſovereign, it is by violence only, or by the force of a ſtanding army, that he can maintain his authority. Even a ſtanding army cannot in this caſe give him any laſting ſecurity; becauſe if the ſoldiers are not foreigners, which can ſeldom be the caſe, but drawn from the great body of the people, which muſt almoſt always be the caſe, they are likely to be ſoon corrupted by thoſe very doctrines. The revolutions which the turbulence of the Greek clergy was continually occaſioning at Conſtantinople as long as the eaſtern empire ſubſiſted; the convulſions which, during the courſe of ſeveral centuries, the turbulence of the Roman clergy was continually occaſioning in every part of Europe, ſufficiently demonſtrate how precarious and inſecure muſt always be the ſituation of the ſovereign who has no proper means of influencing the clergy of the eſtabliſhed and governing religion of his country.

Articles of faith, as well as all other ſpiritual matters, it is evident enough, are not within the proper department of a temporal ſovereign, who, though he may be very well qualified for protecting, is ſeldom ſuppoſed to be ſo for inſtructing the people. With regard to ſuch matters, therefore, his authority can ſeldom be ſufficient to counterbalance the united authority of the clergy of the eſtabliſhed church. The public tranquillity, however, and his own ſecurity, may frequently depend upon the doctrines which they may think proper to propagate concerning ſuch matters. As he can ſeldom directly oppoſe their deciſion, therefore, with proper weight and authority, it is neceſſary that he ſhould be able to influence it; and he can influence it only by the fears and expectations which he may excite in the greater part of the individuals of the order. Thoſe fears and expectations may conſiſt in the fear of deprivation or other puniſhment, and in the expectation of further preferment.

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In all chriſtian churches the benefices of the clergy are a ſort of freeholds which they enjoy, not during pleaſure, but during life, or good behaviour. If they held them by a more precarious tenure, and were liable to be turned out upon every ſlight diſobligation either of the ſovereign or of his miniſters, it would perhaps be impoſſible for them to maintain their authority with the people, who would then conſider them as mercenary dependants upon the court, in the ſincerity of whoſe inſtructions they could no longer have any confidence. But ſhould the ſovereign attempt irregularly, and by violence to deprive any number of clergymen of their freeholds on account, perhaps, of their having propagated, with more than ordinary zeal, ſome factious or ſeditious doctrine, he would only render, by ſuch perſecution, both them and their doctrine ten times more popular, and therefore ten times more troubleſome and dangerous than they had been before. Fear is in almoſt all caſes a wretched inſtrument of government, and ought in particular never to be employed againſt any order of men who have the ſmalleſt pretenſions to independency. To attempt to terrify them ſerves only to irritate their bad humour, and to confirm them in an oppoſition which more gentle uſage perhaps might eaſily induce them either to ſoften or to lay aſide altogether. The violence which the French government uſually employed in order to oblige all their parliaments or ſovereign courts of juſtice to enregiſter any unpopular edict, very ſeldom ſucceeded. The means commonly employed, however, the impriſonment of all the refractory members, one would think were forcible enough. The princes of the houſe of Steuart ſometimes employed the like means in order to influence ſome of the members of the parliament of England; and they generally found them equally intractable. The parliament of England is now managed in another manner; and a very ſmall experiment which the duke of Choiſeul made about twelve years ago upon the parliament of Paris, demonſtrated ſufficiently that all the parliaments

parliaments of France might have been managed ſtill more eaſily in the ſame manner. That experiment was not purſued. For though management and perſuaſion are always the eaſieſt and the ſafeſt inſtruments of government, as force and violence are the worſt and the moſt dangerous, yet ſuch, it ſeems, is the natural inſolence of man, that he almoſt always diſdains to uſe the good inſtrument, except when he cannot or dare not uſe the bad one. The French government could and durſt uſe force, and therefore diſdained to uſe management and perſuaſion. But there is no order of men, it appears, I believe, from the experience of all ages, upon whom it is ſo dangerous, or rather ſo perfectly ruinous, to employ force and violence, as upon the reſpected clergy of any eſtabliſhed church. The rights, the privileges, the perſonal liberty of every individual eccleſiaſtic, who is upon good terms with his own order, are even in the moſt deſpotic governments more reſpected than thoſe of any other perſon of nearly equal rank and fortune. It is ſo in every gradation of deſpotiſm, from that of the gentle and mild government of Paris, to that of the violent and furious government of Conſtantinople. But though this order of men can ſcarce ever be forced, they may be managed as eaſily as any other; and the ſecurity of the ſovereign, as well as of the public tranquillity, ſeems to depend very much upon the means which he has of managing them; and thoſe means ſeem to conſiſt altogether in the preferment which he has to beſtow upon them.

In the antient conſtitution of the Roman catholic church, the biſhop of each dioceſe was elected by the joint votes of the clergy and of the people of the epiſcopal city. The people did not long retain their right of election; and while they did retain it, they almoſt always acted under the influence of the clergy, who in ſuch ſpiritual matters appeared to be their natural guides. The clergy, however, ſoon grew weary of the trouble of managing them, and found

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found it eaſier to elect their own biſhops themſelves. The abbot, in the ſame manner, was elected by the monks of the monaſtery, at leaſt in the greater part of abbacies. All the inferior eccleſiaſtical benefices comprehended within the dioceſe were collated by the biſhop, who beſtowed them upon ſuch eccleſiaſtics as he thought proper. All church preferments were in this manner in the diſpoſal of the church. The ſovereign, though he might have ſome indirect influence in thoſe elections, and though it was ſometimes uſual to aſk both his conſent to elect, and his approbation of the election, yet had no direct or ſufficient means of managing the clergy. The ambition of every clergyman naturally led him to pay court, not ſo much to his ſovereign, as to his own order, from which only he could expect preferment.

THROUGH the greater part of Europe the Pope gradually drew to himſelf firſt the collation of almoſt all biſhopricks and abbacies, or of what were called Conſiſtorial benefices, and afterwards, by various machinations and pretences, of the greater part of inferior benefices comprehended within each dioceſe; little more being left to the biſhop than what was barely neceſſary to give him a decent authority with his own clergy. By this arrangement the condition of the ſovereign was ſtill worſe than it had been before. The clergy of all the different countries of Europe were thus formed into a ſort of ſpiritual army, diſperſed in different quarters indeed, but of which all the movements and operations could now be directed by one head, and conducted upon one uniform plan. The clergy of each particular country might be conſidered as a particular detachment of that army, of which the operations could eaſily be ſupported and ſeconded by all the other detachments quartered in the different countries round about. Each detachment was not only independent of the ſovereign of the country in which it was quartered, and by which it was maintained, but dependant upon a foreign

foreign ſovereign, who could at any time turn its arms againſt the ſovereign of that particular country, and ſupport them by the arms of all the other detachments. CHAP. I.

Those arms were the moſt formidable that can well be imagined. In the antient ſtate of Europe, before the eſtabliſhment of arts and manufactures, the wealth of the clergy gave them the ſame ſort of influence over the common people, which that of the great barons gave them over their reſpective vaſſals, tenants, and retainers. In the great landed eſtates which the miſtaken piety both of princes and private perſons had beſtowed upon the church, juriſdictions were eſtabliſhed of the ſame kind with thoſe of the great barons; and for the ſame reaſon. In thoſe great landed eſtates, the clergy or their bailiffs could eaſily keep the peace without the ſupport or aſſiſtance either of the king or of any other perſon; and neither the king nor any other perſon could keep the peace there without the ſupport and aſſiſtance of the clergy. The juriſdictions of the clergy, therefore, in their particular baronies or manors, were equally independent, and equally excluſive of the authority of the king's courts, as thoſe of the great temporal lords. The tenants of the clergy were, like thoſe of the great barons, almoſt all tenants at will, entirely dependent upon their immediate lords, and therefore liable to be called out at pleaſure, in order to fight in any quarrel in which the clergy might think proper to engage them. Over and above the rents of thoſe eſtates, the clergy poſſeſſed, in the tythes, a very large portion of the rents of all the other eſtates in every kingdom of Europe. The revenues ariſing from both thoſe ſpecies of rents were, the greater part of them, paid in kind, in corn, wine, cattle, poultry, &c. The quantity exceeded greatly what the clergy could themſelves conſume; and there were neither arts nor manufactures for the produce of which they could exchange the ſurplus. The clergy could derive advantage from this immenſe

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ſurplus in no other way than by employing it, as the great barons employed the like ſurplus of their revenues, in the moſt profuſe hoſpitality, and in the moſt extenſive charity. Both the hoſpitality and the charity of the antient clergy, accordingly, are ſaid to have been very great. They not only maintained almoſt the whole poor of every kingdom, but many knights and gentlemen had frequently no other means of ſubſiſtence than by travelling about from monaſtery to monaſtery, under pretence of devotion, but in reality to enjoy the hoſpitality of the clergy. The retainers of ſome particular prelates were often as numerous as thoſe of the greateſt lay-lords; and the retainers of all the clergy taken together were, perhaps, more numerous than thoſe of all the lay-lords. There was always much more union among the clergy than among the lay-lords. The former were under a regular diſcipline and ſubordination to the papal authority. The latter were under no regular diſcipline or ſubordination, but almoſt always equally jealous of one another, and of the king. Though the tenants and retainers of the clergy, therefore, had both together been leſs numerous than thoſe of the great lay-lords, and their tenants were probably much leſs numerous, yet their union would have rendered them more formidable. The hoſpitality and charity of the clergy too, not only gave them the command of a great temporal force, but increaſed very much the weight of their ſpiritual weapons. Thoſe virtues procured them the higheſt reſpect and veneration among all the inferior ranks of people, of whom many were conſtantly, and almoſt all occaſionally, fed by them. Every thing belonging or related to ſo popular an order, its poſſeſſions, its privileges, its doctrines, neceſſarily appeared ſacred in the eyes of the common people, and every violation of them, whether real or pretended, the higheſt act of ſacrilegious wickedneſs and profaneneſs. In this ſtate of things, if the ſovereign frequently found it difficult to reſiſt the confederacy of a few of the great nobility, we cannot wonder that he ſhould

ſhould find it ſtill more ſo to reſiſt the united force of the clergy of his own dominions ſupported by that of the clergy of all the neighbouring dominions. In ſuch circumſtances the wonder is, not that he was ſometimes obliged to yield, but that he ever was able to reſiſt.

The privileges of the clergy in thoſe antient times (which to us who live in the preſent times appear the moſt abſurd) their total exemption from the ſecular juriſdiction, for example, or what in England was called the benefit of clergy; were the natural or rather the neceſſary conſequences of this ſtate of things. How dangerous muſt it have been for the ſovereign to attempt to puniſh a clergyman for any crime whatever, if his own order were diſpoſed to protect him, and to repreſent either the proof as inſufficient for convicting ſo holy a man, or the puniſhment as too ſevere to be inflicted upon one whoſe perſon had been rendered ſacred by religion. The ſovereign could, in ſuch circumſtances, do no better than leave him to be tried by the eccleſiaſtical courts, who, for the honour of their own order, were intereſted to reſtrain, as much as poſſible, every member of it from committing enormous crimes, or even from giving occaſion to ſuch groſs ſcandal as might diſguſt the minds of the people.

In the ſtate in which things were through the greater part of Europe during the tenth, eleventh, twelfth and thirteenth centuries, and for ſome time both before and after that period, the conſtitution of the church of Rome may be conſidered as the moſt formidable combination that ever was formed againſt the authority and ſecurity of civil government, as well as againſt the liberty, reaſon and happineſs of mankind, which can flouriſh only where civil government is able to protect them. In that conſtitution the groſſeſt deluſions of ſuperſtition were ſupported in ſuch a manner by

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the private intereſts of ſo great a number of people as put them out of all danger from any aſſault of human reaſon: becauſe though human reaſon might perhaps have been able to unveil, even to the eyes of the common people, ſome of the deluſions of ſuperſtition; it could never have diſſolved the ties of private intereſt. Had this conſtitution been attacked by no other enemies but the feeble efforts of human reaſon, it muſt have endured forever. But that immenſe and well built fabric, which all the wiſdom and virtue of man could never have ſhaken, much leſs have over-turned, was by the natural courſe of things, firſt weakened, afterwards in part deſtroyed, and is now likely, in the courſe of a few centuries more, perhaps to crumble into ruins altogether.

THE gradual improvements of arts, manufactures and commerce, the ſame cauſes which deſtroyed the power of the great barons, deſtroyed in the ſame manner, through the greater part of Europe, the whole temporal power of the clergy. In the produce of arts, manufactures and commerce, the clergy, like the great barons, found ſomething for which they could exchange their rude produce, and thereby diſcovered the means of ſpending their whole revenues upon their own perſons, without giving any conſiderable ſhare of them to other people. Their charity became gradually leſs extenſive, their hoſpitality leſs liberal or leſs profuſe. Their retainers became conſequently leſs numerous, and by degrees dwindled away altogether. The clergy too, like the great barons, wiſhed to get a better rent from their landed eſtates, in order to ſpend it, in the ſame manner, upon the gratification of their own private vanity and folly. But this increaſe of rent could be got only by granting leaſes to their tenants, who thereby became in a great meaſure independent of them. The ties of intereſt, which bound the inferior ranks of people to the clergy, were in this manner gradually broken and diſſolved. They were even broken and

diſſolved ſooner than thoſe which bound the ſame ranks of people to the great barons: becauſe the benefices of the church being, the greater part of them, much ſmaller than the eſtates of the great barons, the poſſeſſor of each benefice was much ſooner able to ſpend the whole of its revenue upon his own perſon. During the greater part of the fourteenth and fifteenth centuries the power of the great barons was, through the greater part of Europe, in full vigour. But the temporal power of the clergy, the abſolute command which they had once had over the great body of the people, was very much decayed. The power of the church was by that time very nearly reduced through the greater part of Europe to what aroſe from her ſpiritual authority; and even that ſpiritual authority was much weakened when it ceaſed to be ſupported by the charity and hoſpitality of the clergy. The inferior ranks of people no longer looked upon that order, as they had done before, as the comforters of their diſtreſs, and the relievers of their indigence. On the contrary, they were provoked and diſguſted by the vanity, luxury, and expence of the richer clergy, who appeared to ſpend upon their own pleaſures what had always before been regarded as the patrimony of the poor.

In this ſituation of things, the ſovereigns in the different ſtates of Europe endeavoured to recover the influence which they had once had in the diſpoſal of the great benefices of the church, by procuring to the deans and chapters of each dioceſe the reſtoration of their antient right of electing the biſhop, and to the monks of each abbacy that of electing the abbot. The re-eſtabliſhing of this antient order was the object of ſeveral ſtatutes enacted in England during the courſe of the fourteenth century, and of the pragmatic ſanction eſtabliſhed in France in the fifteenth century. In order to render the election valid, it was neceſſary that the ſovereign ſhould both conſent to it before-hand, and afterwards approve of

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the perſon elected; and though the election was ſtill ſuppoſed to be free, he had, however, all the indirect means which his ſituation neceſſarily afforded him of influencing the clergy in his own dominions. Other regulations of a ſimilar tendency were eſtabliſhed in other parts of Europe. But the power of the pope in the collation of the great benefices of the church ſeems, before the reformation, to have been no where ſo effectually and ſo univerſally reſtrained as in France and England. The Concordat afterwards, in the ſixteenth century, gave to the kings of France the abſolute right of preſenting to all the great and conſiſtorial benefices of the Gallican church.

SINCE the eſtabliſhment of the Pragmatic ſanction and of the Concordat, the clergy of France have in general ſhown leſs reſpect to the decrees of the papal court than the clergy of any other catholic country. In all the diſputes which their ſovereign has had with the pope, they have almoſt conſtantly taken party with the former. This independency of the clergy of France upon the court of Rome, ſeems to be principally founded upon the Pragmatic ſanction and the Concordat. In the earlier periods of the monarchy, the clergy of France appear to have been as much devoted to the pope as thoſe of any other country. When Robert, the ſecond Prince of the Capetian race, was moſt unjuſtly excommunicated by the court of Rome, his own ſervants, it is ſaid, threw the victuals which came from his table to the dogs, and refuſed to taſte any thing themſelves which had been polluted by the contact of a perſon in his ſituation. They were taught to do ſo, it may very ſafely be preſumed, by the clergy of his own dominions.

THE claim of collating to the great benefices of the church, a claim in defence of which the court of Rome had frequently ſhaken and ſometimes overturned the thrones of ſome of the greateſt ſove-

reigns,

reigns in Chriſtendom, was in this manner either reſtrained or modified, or given up altogether, in many different parts of Europe, even before the time of the reformation. As the clergy had now leſs influence over the people, ſo the ſtate had more influence over the clergy. The clergy therefore had both leſs power and leſs inclination to diſturb the ſtate.

THE authority of the church of Rome was in this ſtate of declenſion when the diſputes which gave birth to the reformation began in Germany, and ſoon ſpread themſelves through every part of Europe. The new doctrines were every where received with a high degree of popular favour. They were propagated with all that enthuſiaſtic zeal which commonly animates the ſpirit of party when it attacks eſtabliſhed authority. The teachers of thoſe doctrines, though perhaps in other reſpects not more learned than many of the divines who defended the eſtabliſhed church, ſeem in general to have been better acquainted with eccleſiaſtical hiſtory, and with the origin and progreſs of that ſyſtem of opinions upon which the authority of the church was eſtabliſhed, and they had thereby ſome advantage in almoſt every diſpute. The auſterity of their manners gave them authority with the common people, who contraſted the ſtrict regularity of their conduct with the diſorderly lives of the greater part of their own clergy. They poſſeſſed too in a much higher degree than their adverſaries, all the arts of popularity and of gaining proſelytes, arts which the lofty and dignified ſons of the church had long neglected, as being to them in a great meaſure uſeleſs. The reaſon of the new doctrines recommended them to ſome, their novelty to many; the hatred and contempt of the eſtabliſhed clergy to a ſtill greater number; but the zealous, paſſionate and fanatical, though frequently coarſe and ruſtic eloquence with which they were almoſt every where inculcated, recommended them to by far the greateſt number.

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The ſucceſs of the new doctrines was almoſt every where ſo great, that the princes who at that time happened to be on bad terms with the court of Rome, were by means of them eaſily enabled, in their own dominions, to over-turn the church, which having loſt the reſpect and veneration of the inferior ranks of people, could make ſcarce any reſiſtance. The court of Rome had diſobliged ſome of the ſmaller princes in the northern parts of Germany, whom it had probably conſidered as too inſignificant to be worth the managing. They univerſally, therefore, eſtabliſhed the reformation in their own dominions. The tyranny of Chriſtiern II. and of Troll archbiſhop of Upſal, enabled Guſtavus Vaſa to expel them both from Sweden. The pope favoured the tyrant and the archbiſhop, and Guſtavus Vaſa found no difficulty in eſtabliſhing the reformation in Sweden. Chriſtiern II. was afterwards depoſed from the throne of Denmark, where his conduct had rendered him as odious as in Sweden. The pope, however, was ſtill diſpoſed to favour him, and Frederic of Holſtein, who had mounted the throne in his ſtead, revenged himſelf by following the example of Guſtavus Vaſa. The magiſtrates of Berne and Zurich, who had no particular quarrel with the pope, eſtabliſhed with great eaſe the reformation in their reſpective cantons, where juſt before ſome of the clergy had, by an impoſture ſomewhat groſſer than ordinary, rendered the whole order both odious and contemptible.

In this critical ſituation of its affairs the papal court was at ſufficient pains to cultivate the friendſhip of the powerful ſovereigns of France and Spain, of whom the latter was at that time emperor of Germany. With their aſſiſtance it was enabled, though not without great difficulty and much bloodſhed, either to ſuppreſs altogether or to obſtruct very much the progreſs of the reformation in their dominions. It was well enough inclined too to be complaiſant to the king of England. But from the circumſtances

ſtances of the times it could not be ſo without giving offence to a ſtill greater ſovereign, Charles V. king of Spain and emperor of Germany. Henry VIII. accordingly, though he did not embrace himſelf the greater part of the doctrines of the reformation, was yet enabled, by the general prevalence of thoſe doctrines, to ſuppreſs all the monaſteries, and to aboliſh the authority of the church of Rome in his dominions. That he ſhould go ſo far, though he went no further, gave ſome ſatisfaction to the patrons of the reformation, who having got poſſeſſion of the government in the reign of his ſon and ſucceſſor, completed without any difficulty the work which Henry VIII. had begun.

In ſome countries, as in Scotland, where the government was weak, unpopular, and not very firmly eſtabliſhed, the reformation was ſtrong enough to overturn, not only the church, but the ſtate likewiſe for attempting to ſupport the church.

Among the followers of the reformation, diſperſed in all the different countries of Europe, there was no general tribunal which, like that of the court of Rome, or an œcumenical council, could ſettle all diſputes among them, and with irreſiſtable authority preſcribe to all of them the preciſe limits of orthodoxy. When the followers of the reformation in one country, therefore, happened to differ from their brethren in another, as they had no common judge to appeal to, the diſpute could never be decided; and many ſuch diſputes aroſe among them. Thoſe concerning the government of the church, and the right of conferring eccleſiaſtical benefices, were perhaps the moſt intereſting to the peace and welfare of civil ſociety. They gave birth accordingly to the two principal parties or ſects among the followers of the reformation, the Lutheran and Calviniſtic ſects, the only ſects among them, of which the doctrine and diſcipline have ever yet been eſtabliſhed by law in any part of Europe.

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THE followers of Luther, together with what is called the church of England, preſerved more or leſs of the epiſcopal government, eſtabliſhed ſubordination among the clergy, gave the ſovereign the diſpoſal of all the biſhopricks, and other conſiſtorial benefices within his dominions, and thereby rendered him the real head of the church; and without depriving the biſhop of the right of collating to the ſmaller benefices within his dioceſe, they, even to thoſe benefices, not only admitted, but favoured the right of preſentation both in the ſovereign and in all other lay-patrons. This ſyſtem of church government was from the beginning favourable to peace and good order, and to ſubmiſſion to the civil ſovereign. It has never accordingly been the occaſion of any tumult or civil commotion in any country in which it has once been eſtabliſhed. The church of England in particular has always valued herſelf, with great reaſon, upon the unexceptionable loyalty of her principles. Under ſuch a government the clergy naturally endeavour to recommend themſelves to the ſovereign, to the court, and to the nobility and gentry of the country, by whoſe influence they chiefly expect to obtain preferment. They pay court to thoſe patrons, ſometimes, no doubt, by the vileſt flattery and aſſentation, but frequently too by cultivating all thoſe arts which beſt deſerve, and which are therefore moſt likely to gain them the eſteem of people of rank and fortune; by their knowledge in all the different branches of uſeful and ornamental learning, by the decent liberality of their manners, by the ſocial good humour of their converſation, and by their avowed contempt of thoſe abſurd and hypocritical auſterities which fanatics inculcate and pretend to practiſe, in order to draw upon themſelves the veneration, and upon the greater part of men of rank and fortune, who avow that they do not practiſe them, the abhorrence of the common people. Such a clergy, however, while they pay their court in this manner to the higher ranks of life, are very apt to neglect altogether the means of maintaining

their influence and authority with the lower. They are liſtened to, eſteemed and reſpected by their ſuperiors; but before their inferiors they are frequently incapable of defending, effectually and to the conviction of ſuch hearers, their own ſober and moderate doctrines againſt the moſt ignorant enthuſiaſt who chuſes to attack them.

The followers of Zuinglius, or more properly thoſe of Calvin, on the contrary, beſtowed upon the people of each pariſh, whenever the church became vacant, the right of electing their own paſtor; and eſtabliſhed at the ſame time the moſt perfect equality among the clergy. The former part of this inſtitution, as long as it remained in vigour, ſeems to have been productive of nothing but diſorder and confuſion, and to have tended equally to corrupt the morals both of the clergy and of the people. The latter part ſeems never to have had any effects but what were perfectly agreeable.

As long as the people of each pariſh preſerved the right of electing their own paſtors, they acted almoſt always under the influence of the clergy, and generally of the moſt factious and fanatical of the order. The clergy, in order to preſerve their influence in thoſe popular elections, became, or affected to become many of them, fanatics themſelves, encouraged fanaticiſm among the people, and gave the preference almoſt always to the moſt fanatical candidate. So ſmall a matter as the appointment of a pariſh prieſt occaſioned almoſt always a violent conteſt, not only in one pariſh, but in all the neighbouring pariſhes, who ſeldom failed to take party in the quarrel. When the pariſh happened to be ſituated in a great city, it divided all the inhabitants into two parties; and when that city happened either to conſtitute itſelf a little republic, or to be the head and capital of a little republic, as is the caſe with many of the conſiderable cities in Switzerland and Holland, every paltry diſpute of this kind, over and above

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exaſperating the animoſity of all their other factions, threatened to leave behind it both a new ſchiſm in the church, and a new faction in the ſtate. In thoſe ſmall republics, therefore, the magiſtrate very ſoon found it neceſſary, for the ſake of preſerving the public peace, to aſſume to himſelf the right of preſenting to all vacant benefices. In Scotland, the moſt extenſive country in which this preſbyterian form of church government has ever been eſtabliſhed, the rights of patronage were in effect aboliſhed by the act which eſtabliſhed preſbytery in the beginning of the reign of William III. That act at leaſt put it in the power of certain claſſes of people in each pariſh to purchaſe for a very ſmall price the right of electing their own paſtor. The conſtitution which this act eſtabliſhed was allowed to ſubſiſt for about two and twenty years, but was aboliſhed by the 10th of queen Ann, ch. 12. on account of the confuſions and diſorders which this more popular mode of election had almoſt every where occaſioned. In ſo extenſive a country as Scotland, however, a tumult in a remote pariſh was not ſo likely to give diſturbance to government, as in a ſmaller ſtate. The 10th of queen Ann reſtored the rights of patronage. But though in Scotland the law gives the benefice without any exception to the perſon preſented by the patron; yet the church requires ſometimes (for ſhe has not in this reſpect been very uniform in her deciſions) a certain concurrence of the people, before ſhe will confer upon the preſentee what is called the cure of ſouls, or the eccleſiaſtical juriſdiction in the pariſh. She ſometimes at leaſt, from an affected concern for the peace of the pariſh, delays the ſettlement till this concurrence can be procured. The private tampering of ſome of the neighbouring clergy, ſometimes to procure, but more frequently to prevent this concurrence, and the popular arts which they cultivate in order to enable them upon ſuch occaſions to tamper more effectually, are perhaps the cauſes which principally keep up whatever remains of the old fanatical ſpirit, either in the clergy or in the people of Scotland.

The equality which the preſbyterian form of church government eſtabliſhes among the clergy, conſiſts, firſt, in the equality of authority or eccleſiaſtical juriſdiction; and, ſecondly, in the equality of benefice. In all preſbyterian churches the equality of authority is perfect: that of benefice is not ſo. The difference however, between one benefice and another, is ſeldom ſo conſiderable as commonly to tempt the poſſeſſor even of the ſmall benefice to pay court to his patron, by the vile arts of flattery and aſſentation, in order to get a better. In all the preſbyterian churches, where the rights of patronage are thoroughly eſtabliſhed, it is by nobler and better arts that the eſtabliſhed clergy in general endeavour to gain the favour of their ſuperiors; by their learning, by the irreproachable regularity of their life, and by the faithful and diligent diſcharge of their duty. Their patrons even frequently complain of the independency of their ſpirit, which they are apt to conſtrue into ingratitude for paſt favours, but which at worſt perhaps is ſeldom any more than that indifference which naturally ariſes from the conſciouſneſs that no further favours of the kind are ever to be expected. There is ſcarce perhaps to be found any where in Europe a more learned, decent, independent, and reſpectable ſet of men, than the greater part of the preſbyterian clergy of Holland, Geneva, Switzerland, and Scotland.

Where the church benefices are all nearly equal, none of them can be very great; and this mediocrity of benefice, though it may no doubt be carried too far, has, however, ſome very agreeable effects. Nothing but the moſt exemplary morals can give dignity to a man of ſmall fortune. The vices of levity and vanity neceſſarily render him ridiculous, and are, beſides, almoſt as ruinous to him as they are to the common people. In his own conduct, therefore, he is obliged to follow that ſyſtem of morals which the common people reſpect the moſt. He gains their eſteem

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and affection by that plan of life which his own intereſt and ſituation would lead him to follow. The common people look upon him with that kindneſs with which we naturally regard one who approaches ſomewhat to our own condition, but who, we think, ought to be in a higher. Their kindneſs naturally provokes his kindneſs. He becomes careful to inſtruct them, and attentive to aſſiſt and relieve them. He does not even deſpiſe the prejudices of people who are diſpoſed to be ſo favourable to him, and never treats them with thoſe contemptuous and arrogant airs which we ſo often meet with in the proud dignitaries of opulent and well-endowed churches. The preſbyterian clergy, accordingly, have more influence over the minds of the common people than perhaps the clergy of any other eſtabliſhed church. It is accordingly in preſbyterian countries only that we ever find the common people converted, without perſecution, completely, and almoſt to a man, to the eſtabliſhed church.

In countries where church benefices are the greater part of them very moderate, a chair in a univerſity is generally a better eſtabliſhment than a church benefice. The univerſities have, in this caſe, the picking and chuſing of their members from all the churchmen of the country, who, in every country, conſtitute by far the moſt numerous claſs of men of letters. Where church benefices, on the contrary, are many of them very conſiderable, the church naturally draws from the univerſities the greater part of their eminent men of letters; who generally find ſome patron who does himſelf honour by procuring them church preferment. In the former ſituation we are likely to find the univerſities filled with the moſt eminent men of letters that are to be found in the country. In the latter we are likely to find few eminent men among them, and thoſe few among the youngeſt members of the ſociety, who are likely too to be drained away from it before they can have acquired experience.

rience and knowledge enough to be of much uſe to it. It is obſerved by Mr. de Voltaire that father Porrée, a jeſuit of no great eminence in the republic of letters, was the only profeſſor they had ever had in France whoſe works were worth the reading. In a country which has produced ſo many eminent men of letters, it muſt appear ſomewhat ſingular that ſcarce one of them ſhould have been a profeſſor in a univerſity. The famous Gaſſendi was, in the beginning of his life, a profeſſor in the univerſity of Aix. Upon the firſt dawning of his genius it was repreſented to him that by going into the church he could eaſily find a much more quiet and comfortable ſubſiſtence, as well as a better ſituation for purſuing his ſtudies; and he immediately followed the advice. The obſervation of Mr. de Voltaire may be applied, I believe, not only to France, but to all other Roman catholic countries. We very rarely find, in any of them, an eminent man of letters who is a profeſſor in a univerſity, except, perhaps, in the profeſſions of law and phyſic; profeſſions from which the church is not ſo likely to draw them. After the church of Rome, that of England, is by far the richeſt and beſt endowed church in Chriſtendom. In England, accordingly, the church is continually draining the univerſities of all their beſt and ableſt members; and an old college tutor, who is known and diſtinguiſhed in Europe as an eminent man of letters, is as rarely to be found there as in any Roman catholic country. In Geneva, on the contrary, in the proteſtant cantons of Switzerland, in the proteſtant countries of Germany, in Holland, in Scotland, in Sweden, and Denmark, the moſt eminent men of letters whom thoſe countries have produced, have, not all indeed, but the far greater part of them, been profeſſors in univerſities. In thoſe countries the univerſities are continually draining the church of all its moſt eminent men of letters.

It may, perhaps, be worth while to remark, that, if we except the poets, a few orators, and a few hiſtorians, the far greater part of

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of the other eminent men of letters, both of Greece and Rome, appear to have been either public or private teachers; generally either of philoſophy or of rhetoric. This remark will be found to hold true from the days of Lyſias and Iſocrates, of Plato and Ariſtotle, down to thoſe of Plutarch and Epictetus, of Suetonius and Quintilian. Several of thoſe whom we do not know with certainty to have been public teachers, appear to have been private tutors. Polybius, we know, was private tutor to Scipio Æmilianus. Dionyſius of Halicarnaſſus, there are ſome probable reaſons for believing, was ſo to the children of Marcus and Quintus Cicero. To impoſe upon any man the neceſſity of teaching, year after year, any particular branch of ſcience, ſeems, in reality, to be the moſt effectual method for rendering him completely maſter of it himſelf. By being obliged to go every year over the ſame ground, if he is good for any thing, he neceſſarily becomes, in a few years, well acquainted with every part of it: and if upon any particular point he ſhould form too haſty an opinion one year, when he comes in the courſe of his lectures to re-conſider the ſame ſubject the year thereafter, he is very likely to correct it. As to be a teacher of ſcience is certainly the natural employment of a mere man of letters; ſo is it likewiſe, perhaps, the education which is moſt likely to render him a man of ſolid learning and knowledge. The mediocrity of church benefices naturally tends to draw the greater part of men of letters, in the country where it takes place, to the employment in which they can be the moſt uſeful to the public, and, at the ſame time, to give them the beſt education, perhaps, they are capable of receiving. It tends to render their learning both as ſolid as poſſible, and as uſeful as poſſible.

The revenue of every eſtabliſhed church, ſuch parts of it excepted as may ariſe from particular lands or manors, is a branch, it ought to be obſerved, of the general revenue of the ſtate, which is

is thus diverted to a purpoſe very different from the defence of the ſtate. The tythe, for example, is a real land-tax, which puts it out of the power of the proprietors of land to contribute ſo largely towards the defence of the ſtate as they otherwiſe might be able to do. The rent of land, however, is, according to ſome, the ſole fund, and, according to others, the principal fund, from which, in all great monarchies, the exigencies of the ſtate muſt be ultimately ſupplied. The more of this fund that is given to the church, the leſs, it is evident, can be ſpared to the ſtate. It may be laid down as a certain maxim, that, all other things being ſuppoſed equal, the richer the church, the poorer muſt neceſſarily be, either the ſovereign on the one hand, or the people on the other; and, in all caſes, the leſs able muſt the ſtate be to defend itſelf. In ſeveral proteſtant countries, particularly in all the proteſtant cantons of Switzerland, the revenue which antiently belonged to the Roman catholic church, the tythes and church lands, has been found a fund ſufficient not only to afford competent ſalaries to the eſtabliſhed clergy, but to defray, with little or no addition, all the other expences of the ſtate. The magiſtrates of the powerful canton of Berne, in particular, have accumulated out of the ſavings from this fund a very large ſum, ſuppoſed to amount to ſeveral millions, part of which is depoſited in a public treaſure, and part is placed at intereſt in what are called the public funds of the different indebted nations of Europe; chiefly in thoſe of France and Great Britain. What may be the amount of the whole expence which the church, either of Berne, or of any other proteſtant canton, coſts the ſtate, I do not pretend to know. By a very exact account it appears, that, in 1755, the whole revenue of the clergy of the church of Scotland, including their glebe or church lands, and the rent of their manſes or dwelling houſes, eſtimated according to a reaſonable valuation, amounted only to 68,514l. 1s. 5d. $\frac{1}{12}$. This very moderate revenue affords a decent ſubſiſtence to nine hundred and forty-four

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four miniſters. The whole expence of the church, including what is occaſionally laid out for the building and repara tion of churches, and of the manſes of miniſters, cannot well be ſuppoſed to exceed eighty or eighty-five thouſand pounds a year. The moſt opulent church in Chriſtendom does not maintain better the uniformity of faith, the fervour of devotion, the ſpirit of order, regularity, and auſtere morals in the great body of the people, than this very poorly endowed church of Scotland. All the good effects, both civil and religious, which an eſtabliſhed church can be ſuppoſed to produce, are produced by it as completely as by any other. The greater part of the proteſtant churches of Switzerland, which in general are not better endowed than the church of Scotland, produce thoſe effects in a ſtill higher degree. In the greater part of the proteſtant cantons, there is not a ſingle perſon to be found who does not profeſs himſelf to be of the eſtabliſhed church. If he profeſſes himſelf to be of any other, indeed, the law obliges him to leave the canton. But ſo ſevere, or rather indeed ſo oppreſſive a law, could never have been executed in ſuch free countries, had not the diligence of the clergy before-hand converted to the eſtabliſhed church the whole body of the people, with the exception of, perhaps, a few individuals only. In ſome parts of Switzerland, accordingly, where, from the accidental union of a proteſtant and roman catholic country, the converſion has not been ſo complete, both religions are not only tolerated, but eſtabliſhed by law.

THE proper performance of every ſervice ſeems to require that its pay or recompence ſhould be, as exactly as poſſible, proportioned to the nature of the ſervice. If any ſervice is very much under-paid, it is very apt to ſuffer by the meanneſs and incapacity of the greater part of thoſe who are employed in it. If it is very much over-paid, it is apt to ſuffer, perhaps, ſtill more by their negligence and idleneſs. A man of a large revenue, whatever may be

to his profeſſion, thinks he ought to live like other men of large revenues; and to ſpend a great part of his time in feſtivity, in vanity, and in diſſipation. But in a clergyman this train of life not only conſumes the time which ought to be employed in the duties of his function, but in the eyes of the common people deſtroys almoſt entirely that ſanctity of character which can alone enable him to perform thoſe duties with proper weight and authority.

PART IV.

Of the Expence of ſupporting the Dignity of the Sovereign.

OVER and above the expence neceſſary for enabling the ſovereign to perform his ſeveral duties, a certain expence is requiſite for the ſupport of his dignity. This expence varies both with the different periods of improvement, and with the different forms of government.

IN an opulent and improved ſociety, where all the different orders of people are growing every day more expenſive in their houſes, in their furniture, in their tables, in their dreſs, and in their equipage; it cannot well be expected that the ſovereign ſhould alone hold out againſt the faſhion. He naturally, therefore, or rather neceſſarily becomes more expenſive in all thoſe different articles too. His dignity even ſeems to require that he ſhould become ſo.

As in point of dignity, a monarch is more raiſed above his ſubjects than the chief magiſtrate of any republic is ever ſuppoſed to be above his fellow citizens; ſo a greater expence is neceſſary for ſupporting that higher dignity. We naturally expect more ſplendor in the court of a king than in the manſion-houſe of a doge or burgo-maſter.

Conclusion.

THE expence of defending the ſociety, and that of ſupporting the dignity of the chief magiſtrate, are both laid out for the general benefit of the whole ſociety. It is reaſonable, therefore, that they ſhould be defrayed by the general contribution of the whole ſociety, all the different members contributing, as nearly as poſſible, in proportion to their reſpective abilities.

The expence of the adminiſtration of juſtice too may, no doubt, be conſidered as laid out for the benefit of the whole ſociety. There is no impropriety, therefore, in its being defrayed by the general contribution of the whole ſociety. The perſons, however, who give occaſion to this expence are thoſe, who, by their injuſtice in one way or another, make it neceſſary to ſeek redreſs or protection from the courts of juſtice. The perſons again moſt immediately benefited by this expence, are thoſe whom the courts of juſtice either reſtore to their rights or maintain in their rights. The expence of the adminiſtration of juſtice, therefore, may very properly be defrayed by the particular contribution of one or other or both of thoſe two different ſets of perſons according as different occaſions may require, that is, by the fees of court. It cannot be neceſſary to have recourſe to the general contribution of the whole ſociety, except for the conviction of thoſe criminals who have not themſelves any eſtate or fund ſufficient for paying thoſe fees.

Those local or provincial expences of which the benefit is local or provincial (what is laid out, for example, upon the police of a particular town or diſtrict) ought to be defrayed by a local or provincial revenue, and ought to be no burden upon the general revenue of the ſociety. It is unjuſt that the whole ſociety ſhould contribute towards an expence of which the benefit is confined to a part of the ſociety.

The

THE expence of maintaining good roads and communications is, no doubt, beneficial to the whole ſociety, and may, therefore, without any injuſtice, be defrayed by the general contribution of the whole ſociety. This expence, however, is moſt immediately and directly beneficial to thoſe who travel or carry goods from one place to another, and to thoſe who conſume ſuch goods. The turnpike tolls in England, and the duties called peages in other countries, lay it altogether upon thoſe two different ſetts of people, and thereby diſcharge the general revenue of the ſociety from a very conſiderable burden.

THE expence of the inſtitutions for education and religious inſtruction, is likewiſe, no doubt, beneficial to the whole ſociety, and may, therefore, without injuſtice, be defrayed by the general contribution of the whole ſociety. This expence, however, might perhaps with equal propriety, and even with ſome advantage, be defrayed altogether by thoſe who receive the immediate benefit of ſuch education and inſtruction, or by the voluntary contribution of thoſe who think they have occaſion for either the one or the other.

WHEN the inſtitutions or public works which are beneficial to the whole ſociety, either cannot be maintained altogether, or are not maintained altogether by the contribution of ſuch particular members of the ſociety as are moſt immediately benefited by them, the deficiency muſt in moſt caſes be made up by the general contribution of the whole ſociety. The general revenue of the ſociety, over and above defraying the expence of defending the ſociety and of ſupporting the dignity of the chief magiſtrate, muſt make up for the deficiency of many particular branches of revenue. The ſources of this general or public revenue, I ſhall endeavour to explain in the following chapter.

CHAP. II.

Of the Sources of the general or publick Revenue of the Society.

THE revenue which muſt defray, not only the expence of defending the ſociety and of ſupporting the dignity of the chief magiſtrate, but all the other neceſſary expences of government, for which the conſtitution of the ſtate has not provided any particular revenue, may be drawn, either, firſt, from ſome fund which peculiarly belongs to the ſovereign or commonwealth, and which is independent of the revenue of the people; or, ſecondly, from the revenue of the people.

PART I.

Of the Funds or Sources of Revenue which may peculiarly belong to the Sovereign or Commonwealth.

THE funds or ſources of revenue which may peculiarly belong to the ſovereign or commonwealth muſt conſiſt either in ſtock or in land.

THE ſovereign, like any other owner of ſtock, may derive a revenue from it, either by employing it himſelf, or by lending it. His revenue is in the one caſe, profit; in the other, intereſt.

THE revenue of a Tartar or Arabian chief conſiſts in profit. It ariſes principally from the milk and increaſe of his own herds and flocks, of which he himſelf ſuper-intends the management, and is the principal ſhepherd or herdſman of his own horde or tribe. It is, however, in this earlieſt and rudeſt ſtate of civil government

only that profit has ever made the principal part of the public revenue of a monarchical ſtate.

SMALL republics have ſometimes derived a conſiderable revenue from the profit of mercantile projects. The republic of Hamburgh is ſaid to do ſo from the profits of a public wine cellar and apothecaries ſhop *. The ſtate cannot be very great of which the ſovereign has leiſure to carry on the trade of a wine merchant or apothecary. The profit of a public bank has been a ſource of revenue to more conſiderable ſtates. It has been ſo not only to Hamburgh, but to Venice and Amſterdam. A revenue of this kind has even by ſome people been thought not below the attention of ſo great an empire as that of Great Britain. Reckoning the ordinary dividend of the bank of England at five and a half per cent. and its capital at ten millions ſeven hundred and eighty thouſand pounds, the neat annual profit, after paying the expence of management, muſt amount, it is ſaid, to five hundred and ninety-two thouſand nine hundred pounds. Government, it is pretended, could borrow this capital at three per cent. intereſt, and by taking the management of the bank into its own hands, might make a clear profit of two hundred and ſixty-nine thouſand five hundred pounds a year. The orderly, vigilant and parſimonious adminiſtration of ſuch ariſtocracies as thoſe of Venice and Amſterdam, is extremely proper, it appears from experience, for the management of a mercantile project of this kind. But whether ſuch a government as that of England; which, whatever may be its virtues, has never

* See Memoires concernant les Droits & Impoſitions en Europe: tome 1. page 73. This work was compiled by the order of the court for the uſe of a commiſſion employed for ſome years paſt in conſidering the proper means for reforming the finances of France. The account of the French taxes, which takes up three volumes in quarto, may be regarded as perfectly authentic. That of thoſe of other European nations was compiled from ſuch informations as the French miniſters at the different courts could procure. It is much ſhorter, and probably not quite ſo exact as that of the French taxes.

been

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been famous for good œconomy, which in time of peace has generally conducted itſelf with the ſlothful and negligent profuſion that is perhaps natural to monarchies; and in time of war has conſtantly acted with all the thoughtleſs extravagance that democracies are apt to fall into; could be ſafely truſted with the management of ſuch a project muſt at leaſt be a good deal more doubtful.

The poſt office is properly a mercantile project. The government advances the expence of eſtabliſhing the different offices, and of buying or hiring the neceſſary horſes or carriages, and is repaid with a large profit by the duties upon what is carried. It is perhaps the only mercantile project which has been ſucceſsfully managed by, I believe, every ſort of government. The capital to be advanced is not very conſiderable. There is no myſtery in the buſineſs. The returns are not only certain, but immediate.

Princes, however, have frequently engaged in many other mercantile projects, and have been willing, like private perſons, to mend their fortunes by becoming adventurers in the common branches of trade. They have ſcarce ever ſucceeded. The profuſion with which the affairs of princes are always managed, renders it almoſt impoſſible that they ſhould. The agents of a prince regard the wealth of their maſter as inexhauſtible; are careleſs at what price they buy; are careleſs at what price they ſell; are careleſs at what expence they tranſport his goods from one place to another. Thoſe agents frequently live with the profuſion of princes, and ſometimes too, in ſpite of that profuſion, and by a proper method of making up their accounts, acquire the fortunes of princes. It was thus, as we are told by Machiavel, that the agents of Lorenzo of Medicis, not a prince of mean abilities, carried on his trade. The republic of Florence was ſeveral times obliged to pay the debt into which their extrava-

gance had involved him. He found it convenient, accordingly, to give up the buſineſs of merchant, the buſineſs to which his family had originally owed their fortune, and in the latter part of his life to employ both what remained of that fortune, and the revenue of the ſtate of which he had the diſpoſal, in projects and expences more ſuitable to his ſtation.

No two characters ſeem more inconſiſtent than thoſe of trader and ſovereign. If the trading ſpirit of the Engliſh Eaſt India company renders them very bad ſovereigns; the ſpirit of ſovereignty ſeems to have rendered them equally bad traders. While they were traders only, they managed their trade ſucceſsfully, and were able to pay from their profits a moderate dividend to the proprietors of their ſtock. Since they became ſovereigns, with a revenue which, it is ſaid, was originally more than three millions ſterling, they have been obliged to beg the extraordinary aſſiſtance of government in order to avoid immediate bankruptcy. In their former ſituation, their ſervants in India conſidered themſelves as the clerks of merchants: In their preſent ſituation, thoſe ſervants conſider themſelves as the miniſters of ſovereigns.

A STATE may ſometimes derive ſome part of its public revenue from the intereſt of money, as well as from the profits of ſtock. If it has amaſſed a treaſure, it may lend a part of that treaſure, either to foreign ſtates, or to its own ſubjects.

THE canton of Berne derives a conſiderable revenue by lending a part of its treaſure to foreign ſtates, that is, by placing it in the public funds of the different indebted nations of Europe, chiefly in thoſe of France and England. The ſecurity of this revenue muſt depend, firſt, upon the ſecurity of the funds in which it is placed, or upon the good faith of the government which has the management of them; and, ſecondly, upon the certainty or probability

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bability of the continuance of peace with the debtor nation. In the caſe of a war, the very firſt act of hoſtility, on the part of the debtor nation, might be the forfeiture of the funds of its creditor. This policy of lending money to foreign ſtates is, ſo far as I know, peculiar to the canton of Berne.

The city of Hamburgh * has eſtabliſhed a ſort of public pawn-ſhop, which lends money to the ſubjects of the ſtate upon pledges at ſix per cent. intereſt. This pawn-ſhop or Lombard, as it is called, affords a revenue, it is pretended, to the ſtate of a hundred and fifty thouſand crowns, which, at four and ſixpence the crown, amounts to 33,750 l. ſterling.

The government of Penſylvania, without amaſſing any treaſure, invented a method of lending, not money indeed, but what is equivalent to money, to its ſubjects. By advancing to private people, at intereſt, and upon land ſecurity to double the value, paper bills of credit to be redeemed fifteen years after their date, and in the mean time made transferable from hand to hand like bank notes, and declared by act of aſſembly to be a legal tender in all payments from one inhabitant of the province to another, it raiſed a moderate revenue, which went a conſiderable way towards defraying an annual expence of about 4500 l. the whole ordinary expence of that frugal and orderly government. The ſucceſs of an expedient of this kind muſt have depended upon three different circumſtances; firſt, upon the demand for ſome other inſtrument of commerce, beſides gold and ſilver money, or upon the demand for ſuch a quantity of conſumable ſtock as could not be had without ſending abroad the greater part of their gold and ſilver money, in order to purchaſe it; ſecondly, upon the good credit of the government which made uſe of this expedient; and, thirdly, upon the moderation with

* See id. ibid.

which

which it was uſed, the whole value of the paper bills of credit never exceeding that of the gold and ſilver money which would have been neceſſary for carrying on their circulation had there been no paper bills of credit. The ſame expedient was upon different occaſions adopted by ſeveral other American colonies; but, from want of this moderation, it produced, in the greater part of them, much more diſorder than conveniency.

The unſtable and periſhable nature of ſtock and credit, however, render them unfit to be truſted to as the principal funds of that ſure, ſteady, and permanent revenue, which can alone give ſecurity and dignity to government. The government of no great nation, that was advanced beyond the ſhepherd ſtate, ſeems ever to have derived the greater part of its public revenue from ſuch ſources.

Land is a fund of a more ſtable and permanent nature; and the rent of public lands, accordingly, has been the principal ſource of the public revenue of many a great nation that was much advanced beyond the ſhepherd ſtate. From the produce or rent of the public lands, the antient republics of Greece and Italy derived for a long time the greater part of that revenue which defrayed the neceſſary expences of the commonwealth. The rent of the crown lands conſtituted for a long time the greater part of the revenue of the antient ſovereigns of Europe.

War and the preparation for war, are the two circumſtances which in modern times occaſion the greater part of the neceſſary expence of all great ſtates. But in the antient republics of Greece and Italy every citizen was a ſoldier, who both ſerved and prepared himſelf for ſervice at his own expence. Neither of thoſe two circumſtances, therefore, could occaſion any very conſiderable expence to the ſtate. The rent of a very moderate landed

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eſtate might be fully ſufficient for defraying all the other neceſſary expences of government.

In the antient monarchies of Europe, the manners and cuſtoms of the times ſufficiently prepared the great body of the people for war; and when they took the field they were, by the condition of their feudal tenures, to be maintained either at their own expence, or at that of their immediate lords, without bringing any new charge upon the ſovereign. The other expences of government were, the greater part of them, very moderate. The adminiſtration of juſtice, it has been ſhown, inſtead of being a cauſe of expence, was a ſource of revenue. The labour of the country people for three days before and for three days after harveſt, was thought a fund ſufficient for making and maintaining all the bridges, highways, and other public works which the commerce of the country was ſuppoſed to require. In thoſe days the principal expence of the ſovereign ſeems to have conſiſted in the maintenance of his own family and houſhold. The officers of his houſhold, accordingly, were then the great officers of ſtate. The lord treaſurer received his rents. The lord ſteward and lord chamberlain looked after the expence of his family. The care of his ſtables was committed to the lord conſtable and the lord marſhal. His houſes were all built in the form of caſtles, and ſeem to have been the principal fortreſſes which he poſſeſſed. The keepers of thoſe houſes or caſtles might be conſidered as a ſort of military governors. They ſeem to have been the only military officers whom it was neceſſary to maintain in time of peace. In theſe circumſtances the rent of a great landed eſtate might, upon ordinary occaſions, very well defray all the neceſſary expences of government.

In the preſent ſtate of the greater part of the civilized monarchies of Europe, the rent of all the lands in the country, managed

managed as they probably would be if they all belonged to one proprietor, would ſcarce perhaps amount to the ordinary revenue which they levy upon the people even in peaceable times. The ordinary revenue of Great Britain, for example, including not only what is neceſſary for defraying the current expence of the year, but for paying the intereſt of the public debts, and for ſinking a part of the capital of thoſe debts, amounts to upwards of ten millions a year. But the land-tax, at four ſhillings in the pound, falls ſhort of two millions a year. This land-tax, as it is called, however, is ſuppoſed to be one-fifth, not only of the rent of all the land, but of that of all the houſes, and of the intereſt of all the capital ſtock of Great Britain, that part of it only excepted which is either lent to the public, or employed as farming ſtock in the cultivation of land. A very conſiderable part of the produce of this tax ariſes from the rent of houſes, and the intereſt of capital ſtock. The land-tax of the city of London, for example, at four ſhillings in the pound, amounts to 123,399 l. 6 s. 7 d. That of the city of Weſtminſter, to 63,092 l. 1 s. 5 d. That of the palaces of Whitehall and St. James's, to 30,754 l. 6 s. 3 d. A certain proportion of the land-tax is in the ſame manner aſſeſſed upon all the other cities and towns corporate in the kingdom, and ariſes almoſt altogether either from the rent of houſes or from what is ſuppoſed to be the intereſt of trading and capital ſtock. According to the eſtimation, therefore, by which Great Britain is rated to the land-tax, the whole maſs of revenue ariſing from the rent of all the lands, from that of all the houſes, and from the intereſt of all the capital ſtock, that part of it only excepted which is either lent to the public or employed in the cultivation of land, does not exceed ten millions ſterling a year, the ordinary revenue which government levies upon the people even in peaceable times. The eſtimation by which Great Britain is rated to the land-tax is, no doubt, taking the whole kingdom at an average, very much below the real value; though in ſeveral particular

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ticular counties and diſtricts it is ſaid to be nearly equal to that value. The rent of the lands alone, excluſive of that of houſes, and of the intereſt of ſtock, has by many people been eſtimated at twenty millions, an eſtimation made in a great meaſure at random, and which, I apprehend, is as likely to be above as below the truth. But if the lands of Great Britain, in the preſent ſtate of their cultivation, do not afford a rent of more than twenty millions a year, they could not well afford the half, moſt probably not the fourth part of that rent, if they all belonged to a ſingle proprietor, and were put under the negligent, expenſive, and oppreſſive management of his factors and agents. The crown lands of Great Britain do not at preſent afford the fourth part of the rent which could probably be drawn from them if they were the property of private perſons. If the crown lands were more extenſive, it is probable they would be ſtill worſe managed.

THE revenue which the great body of the people derives from land is in proportion, not to the rent, but to the produce of the land. The whole annual produce of the land of every country, if we except what is reſerved for ſeed, is either annually conſumed by the great body of the people, or exchanged for ſomething elſe that is conſumed by them. Whatever keeps down the produce of the land below what it would otherwiſe riſe to, keeps down the revenue of the great body of the people ſtill more than it does that of the proprietors of land. The rent of land, that portion of the produce which belongs to the proprietors, is ſcarce any where in Great Britain ſuppoſed to be more than a third part of the whole produce. If the land, which in one ſtate of cultivation affords a rent of ten millions ſterling a year, would in another afford a rent of twenty millions; the rent being, in both caſes, ſuppoſed a third part of the produce; the revenue of the proprietors would be leſs than it otherwiſe might be by ten millions a year only; but the revenue of the great body of the people

ple would be leſs than it otherwiſe might be by thirty millions a year, deducting only what would be neceſſary for ſeed. The population of the country would be leſs by the number of people which thirty millions a year, deducting always the ſeed, could maintain, according to the particular mode of living and expence which might take place in the different ranks of men among whom the remainder was diſtributed.

THOUGH there is not at preſent, in Europe, any civilized ſtate of any kind which derives the greater part of its public revenue from the rent of lands which are the property of the ſtate; yet, in all the great monarchies of Europe, there are ſtill many large tracts of land which belong to the crown. They are generally foreſt; and ſometimes foreſt where, after travelling ſeveral miles, you will ſcarce find a ſingle tree; a mere waſte and loſs of country in reſpect both of produce and population. In every great monarchy of Europe the ſale of the crown lands would produce a very large ſum of money, which, if applied to the payment of the public debts, would deliver from mortgage a much greater revenue than any which thoſe lands have ever afforded to the crown. In countries where lands, improved and cultivated very highly, and yielding at the time of ſale as great a rent as can eaſily be got from them, commonly ſell at thirty years purchaſe; the unimproved, uncultivated, and low-rented crown lands might well be expected to ſell at forty, fifty, or ſixty years purchaſe. The crown might immediately enjoy the revenue which this great price would redeem from mortgage. In the courſe of a few years it would probably enjoy another revenue. When the crown lands had become private property, they would, in the courſe of a few years, become well-improved and well-cultivated. The increaſe of their produce would increaſe the population of the country, by augmenting the revenue and conſumption of the people. But the revenue which the crown derives

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derives from the duties of cuſtoms and exciſe, would neceſſarily increaſe with the revenue and conſumption of the people.

THE revenue which, in any civilized monarchy, the crown derives from the crown lands, though it appears to coſt nothing to individuals, in reality coſts more to the ſociety than perhaps any other equal revenue which the crown enjoys. It would, in all caſes, be for the intereſt of the ſociety to replace this revenue to the crown by ſome other equal revenue, and to divide the lands among the people, which could not well be done better, perhaps, than by expoſing them to public ſale.

LANDS, for the purpoſes of pleaſure and magnificence, parks, gardens, public walks, &c. poſſeſſions which are every where conſidered as cauſes of expence, not as ſources of revenue, ſeem to be the only lands which, in a great and civilized monarchy, ought to belong to the crown.

PUBLIC ſtock and public lands, therefore, the two ſources of revenue which may peculiarly belong to the ſovereign or common-wealth, being both improper and inſufficient funds for defraying the neceſſary expence of any great and civilized ſtate; it remains that this expence muſt, the greater part of it, be defrayed by taxes of one kind or another; the people contributing a part of their own private revenue in order to make up a public revenue to the ſovereign or common-wealth.

PART II.

Of Taxes.

THE private revenue of individuals, it has been ſhewn in the firſt book of this inquiry, ariſes ultimately from three different ſources; Rent, Profit, and Wages. Every tax muſt finally be paid from

from ſome one or other of thoſe three different ſorts of revenue, or from all of them indifferently. I ſhall endeavour to give the beſt account I can, firſt, of thoſe taxes which, it is intended, ſhould fall upon rent; ſecondly, of thoſe which, it is intended, ſhould fall upon profit; thirdly, of thoſe which, it is intended, ſhould fall upon wages; and, fourthly, of thoſe which, it is intended, ſhould fall indifferently upon all thoſe three different ſources of private revenue. The particular conſideration of each of theſe four different ſorts of taxes will divide the ſecond part of the preſent chapter into four articles, three of which will require ſeveral other ſubdiviſions. Many of thoſe taxes, it will appear from the following review, are not finally paid from the fund or ſource of revenue upon which it was intended they ſhould fall.

Before I enter upon the examination of particular taxes, it is neceſſary to premiſe the four following maxims with regard to taxes in general.

I. The ſubjects of every ſtate ought to contribute towards the ſupport of the government, as nearly as poſſible, in proportion to their reſpective abilities; that is, in proportion to the revenue which they reſpectively enjoy under the protection of the ſtate. The expence of government to the individuals of a great nation, is like the expence of management to the joint tenants of a great eſtate, who are all obliged to contribute in proportion to their reſpective intereſts in the eſtate. In the obſervation or neglect of this maxim conſiſts what is called the equality or inequality of taxation. Every tax, it muſt be obſerved once for all, which falls finally upon one only of the three ſorts of revenue above-mentioned is neceſſarily unequal, in ſo far as it does not affect the other two. In the following examination of different taxes I ſhall ſeldom take much further notice of this ſort of inequality, but ſhall, in

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in moſt caſes, confine my obſervations to that inequality which is occaſioned by a particular tax falling unequally even upon that particular ſort of private revenue which is affected by it.

II. The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other perſon. Where it is otherwiſe, every perſon ſubject to the tax is put more or leſs in the power of the tax-gatherer, who can either aggravate the tax upon any obnoxious contributor, or extort, by the terror of ſuch aggravation, ſome preſent or perquiſite to himſelf. The uncertainty of taxation encourages the inſolence and favours the corruption of an order of men who are naturally unpopular, even where they are neither inſolent nor corrupt. The certainty of what each individual ought to pay is, in taxation, a matter of ſo great importance, that a very conſiderable degree of inequality, it appears, I believe, from the experience of all nations, is not near ſo great an evil as a very ſmall degree of uncertainty.

III. Every tax ought to be levied at the time, or in the manner in which it is moſt likely to be convenient for the contributor to pay it. A tax upon the rent of land or of houſes, payable at the ſame term at which ſuch rents are uſually paid, is levied at the time when it is moſt likely to be convenient for the contributor to pay; or, when he is moſt likely to have wherewithal to pay. Taxes upon ſuch conſumable goods as are articles of luxury, are all finally paid by the conſumer, and generally in a manner that is very convenient for him. He pays them by little and little, as he has occaſion to buy the goods. As he is at liberty too either to buy or not to buy as he pleaſes, it muſt be his own fault if he ever ſuffers any conſiderable inconveniency from ſuch taxes.

IV. EVERY tax ought to be ſo contrived as both to take out and to keep out of the pockets of the people as little as poſſible, over and above what it brings into the public treaſury of the ſtate. A tax may either take out or keep out of the pockets of the people a great deal more than it brings into the public treaſury, in the four following ways. Firſt, the levying of it may require a great number of officers, whoſe ſalaries may eat up the greater part of the produce of the tax, and whoſe perquiſites may impoſe another additional tax upon the people. Secondly, it may obſtruct the induſtry of the people, and diſcourage them from applying to certain branches of buſineſs which might give maintenance and employment to great multitudes. While it obliges the people to pay, it may thus diminiſh, or perhaps deſtroy ſome of the funds, which might enable them more eaſily to do ſo. Thirdly, by the forfeitures and other penalties which thoſe unfortunate individuals incur who attempt unſucceſsfully to evade the tax, it may frequently ruin them, and thereby put an end to the benefit which the community might have received from the employment of their capitals. An injudicious tax offers a great temptation to ſmuggling. But the penalties of ſmuggling muſt riſe in proportion to the temptation. The law, contrary to all the ordinary principles of juſtice, firſt creates the temptation, and then puniſhes thoſe who yield to it; and it commonly enhances the puniſhment too in proportion to the very circumſtance which ought certainly to alleviate it, the temptation to commit the crime*. Fourthly, by ſubjecting the people to the frequent viſits, and the odious examination of the tax-gatherers, it may expoſe them to much unneceſſary trouble, vexation, and oppreſſion; and though vexation is not, ſtrictly ſpeaking, expence, it is certainly equivalent to the expence at which every man would be willing to redeem himſelf from it. It is in ſome one or other of theſe four different ways that taxes are frequently ſo much more burdenſome to the people than they are beneficial to the ſovereign.

* See Sketches of the Hiſtory of Man, page 474. & ſeq.

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THE evident juſtice and utility of the foregoing maxims have recommended them more or leſs to the attention of all nations. All nations have endeavoured, to the beſt of their judgement, to render their taxes as equal, as certain, as convenient to the contributor, both in the time and in the mode of payment, and, in proportion to the revenue which they brought to the prince, as little burdenſome to the people as they could contrive. The following ſhort review of ſome of the principal taxes which have taken place in different ages and countries will ſhow that the endeavours of all nations have not in this reſpect been equally ſucceſsful.

ARTICLE I.

Taxes upon Rent. Taxes upon the Rent of Land.

A TAX upon the rent of land may either be impoſed according to a certain canon, every diſtrict being valued at a certain rent, which valuation is not afterwards to be altered; or it may be impoſed in ſuch a manner as to vary with every variation in the real rent of the land, and to riſe or fall with the improvement or declenſion of its cultivation.

A LAND tax which, like that of Great Britain, is impoſed according to a certain invariable canon, though it ſhould be equal at the time of its firſt eſtabliſhment, neceſſarily becomes unequal in proceſs of time according to the unequal degrees of improvement or neglect in the cultivation of the different parts of the country. In England, the valuation according to which the different counties and pariſhes were aſſeſſed to the land-tax by the 4th of William and Mary was very unequal even at its firſt eſtabliſhment. This tax, therefore, ſo far offends againſt the firſt of the four maxims above-mentioned. It is perfectly agreeable to the other three. It is perfectly certain. The time of payment for the tax, being the ſame as that for the rent, is as

convenient as it can be to the contributor. Though the landlord is in all caſes the real contributor, the tax is commonly advanced by the tenant, to whom the landlord is obliged to allow it in the payment of the rent. This tax is levied by a much ſmaller number of officers than any other which affords nearly the ſame revenue. As the tax does not riſe with the riſe of the rent, the ſovereign does not ſhare in the profits of the landlord's improvements. The tax, therefore, does not diſcourage thoſe improvements, nor keep down the produce of the land below what it would otherwiſe riſe to. As it has no tendency to diminiſh the quantity, it can have none to raiſe the price of that produce. It does not obſtruct the induſtry of the people. It ſubjects the landlord to no other inconveniency beſides the unavoidable one of paying the tax.

The advantage, however, which the landlord has derived from the invariable conſtancy of the valuation by which all the lands of Great Britain are rated to the land-tax, has been principally owing to ſome circumſtances altogether extraneous to the nature of the tax.

It has been owing in part to the great proſperity of almoſt every part of the country, the rents of almoſt all the eſtates of Great Britain having, ſince the time when this valuation was firſt eſtabliſhed, been continually riſing, and ſcarce any of them having fallen. The landlords, therefore, have almoſt all gained the difference between the tax which they would have paid, according to the preſent rent of their eſtates, and that which they actually pay according to the ancient valuation. Had the ſtate of the country been different, had rents been gradually falling in conſequence of the declenſion of cultivation, the landlords would almoſt all have loſt this difference. In the ſtate of things which has happened to take place ſince the revolution, the conſtancy of the valuation has been advantageous to the landlord and hurtful to the ſovereign. In a different ſtate of things

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it might have been advantageous to the ſovereign and hurtful to the landlord.

As the tax is made payable in money, ſo the valuation of the land is expreſſed in money. Since the eſtabliſhment of this valuation the value of ſilver has been pretty uniform, and there has been no alteration in the ſtandard of the coin either as to weight or fineneſs. Had ſilver riſen conſiderably in its value, as it ſeems to have done in the courſe of the two centuries which preceeded the diſcovery of the mines of America, the conſtancy of the valuation might have proved very oppreſſive to the landlord. Had ſilver fallen conſiderably in its value, as it certainly did for about a century at leaſt after the diſcovery of thoſe mines, the ſame conſtancy of valuation would have reduced very much this branch of the revenue of the ſovereign. Had any conſiderable alteration been made in the ſtandard of the money, either by ſinking the ſame quantity of ſilver to a lower denomination, or by raiſing it to a higher; had an ounce of ſilver, for example, inſtead of being coined into five ſhillings and twopence, been coined either into pieces which bore ſo low a denomination as two ſhillings and ſeven-pence, or into pieces which bore ſo high a one as ten ſhillings and fourpence, it would in the one caſe have hurt the revenue of the proprietor, in the other that of the ſovereign.

In circumſtances, therefore, ſomewhat different from thoſe which have actually taken place, this conſtancy of valuation might have been a very great inconveniency, either to the contributors, or to the commonwealth. In the courſe of ages ſuch circumſtances, however, muſt, at ſome time or other, happen. But though empires, like all the other works of men, have all hitherto proved mortal, yet every empire aims at immortality. Every conſtitution, therefore, which it is meant ſhould be as permanent as the empire itſelf, ought to be convenient, not in certain circumſtances only, but

but in all circumſtances; or ought to be ſuited, not to thoſe circumſtances which are tranſitory, occaſional, or accidental, but to thoſe which are neceſſary and therefore always the ſame.

A TAX upon the rent of land which varies with every variation of the rent, or which riſes and falls according to the improvement or neglect of cultivation, is recommended by that ſect of men of letters in France, who call themſelves, the oeconomiſts, as the moſt equitable of all taxes. All taxes, they pretend, fall ultimately upon the rent of land, and ought therefore to be impoſed equally upon the fund which muſt finally pay them. That all taxes ought to fall as equally as poſſible upon the fund which muſt finally pay them, is certainly true. But without entering into the diſagreeable diſcuſſion of the metaphyſical arguments by which they ſupport their very ingenious theory, it will ſufficiently appear from the following review, what are the taxes which fall finally upon the rent of the land, and what are thoſe which fall finally upon ſome other fund.

IN the Venetian territory all the arable lands which are given in leaſe to farmers are taxed at a tenth of the rent *. The leaſes are recorded in a public regiſter which is kept by the officers of revenue in each province or diſtrict. When the proprietor cultivates his own lands, they are valued according to an equitable eſtimation and he is allowed a deduction of one-fifth of the tax, ſo that for ſuch lands he pays only eight inſtead of ten per cent. of the ſuppoſed rent.

A LAND-TAX of this kind is certainly more equal than the land-tax of England. It might not perhaps be altogether ſo certain, and the aſſeſſment of the tax might frequently occaſion a

* Memoires concernant les Droits, p. 240, 241.

good

good deal more trouble to the landlord. It might too be a good deal more expenſive in the levying.

Such a ſyſtem of adminiſtration, however, might perhaps be contrived as would in a great meaſure both prevent this uncertainty and moderate this expence.

The landlord and tenant, for example, might jointly be obliged to record their leaſe in a public regiſter. Proper penalties might be enacted againſt concealing or miſrepreſenting any of the conditions; and if part of thoſe penalties was to be paid to either of the two parties who informed againſt and convicted the other of ſuch concealment or miſrepreſentation, it would effectually deter them from combining together in order to defraud the public revenue. All the conditions of the leaſe might be ſufficiently known from ſuch a record.

Some landlords, inſtead of raiſing the rent, take a fine for the renewal of the leaſe. This practice is in moſt caſes the expedient of a ſpendthrift, who for a ſum of ready money ſells a future revenue of much greater value. It is in moſt caſes, therefore, hurtful to the landlord. It is frequently hurtful to the tenant, and it is always hurtful to the community. It frequently takes from the tenant ſo great a part of his capital, and thereby diminiſhes ſo much his ability to cultivate the land, that he finds it more difficult to pay a ſmall rent than it would otherwiſe have been to pay a great one. Whatever diminiſhes his ability to cultivate, neceſſarily keeps down below what it would otherwiſe have been the moſt important part of the revenue of the community. By rendering the tax upon ſuch fines a good deal heavier than upon the ordinary rent, this hurtful practice might be diſcouraged to the no ſmall advantage of

of all the different parties concerned, of the landlord, of the tenant, of the ſovereign, and of the whole community.

Some leaſes preſcribe to the tenant a certain mode of cultivation, and a certain ſucceſſion of crops during the whole continuance of the leaſe. This condition (which is generally the effect of the landlords conceit of his own ſuperior knowledge, a conceit in moſt caſes very ill founded) ought always to be conſidered as an additional rent; as a rent in ſervice inſtead of a rent in money. In order to diſcourage the practice, which is generally a fooliſh one, this ſpecies of rent might be valued rather high, and conſequently taxed ſomewhat higher than common money rents.

Some landlords, inſtead of a rent in money, require a rent in kind, in corn, cattle, poultry, wine, oil, &c. others again require a rent in ſervice. Such rents are always more hurtful to the tenant than beneficial to the landlord. They either take more or keep more out of the pocket of the former than they put into that of the latter. In every country where they take place, the tenants are poor and beggarly, pretty much according to the degree in which they take place. By valuing, in the ſame manner, ſuch rents rather high, and conſequently taxing them ſomewhat higher than common money-rents, a practice which is hurtful to the whole community might perhaps be ſufficiently diſcouraged.

When the landlord choſe to occupy himſelf a part of his own lands, the rent might be valued according to an equitable arbitration of the farmers and landlords in the neighbourhood, and a moderate abatement of the tax might be granted to him in the ſame manner as in the Venetian territory; provided the rent of the lands which he occupied did not exceed a certain ſum. It is of importance that the landlord ſhould be encouraged to cultivate a part of his

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his own land. His capital is generally greater than that of the tenant, and with leſs ſkill he can frequently raiſe a greater produce. The landlord can afford to try experiments, and is generally diſpoſed to do ſo. His unſucceſsful experiments occaſion only a moderate loſs to himſelf. His ſucceſsful ones contribute to the improvement and better cultivation of the whole country. It might be of importance however, that the abatement of the tax ſhould encourage him to cultivate to a certain extent only. If the landlords ſhould the greater part of them be tempted to farm the whole of their own lands, the country, (inſtead of ſober and induſtrious tenants, who are bound by their own intereſt to cultivate as well as their capital and ſkill will allow them) would be filled with idle and profligate bailiffs, whoſe abuſive management would ſoon degrade the cultivation and reduce the annual produce of the land, to the diminution, not only of the revenue of their maſters, but of the moſt important part of that of the whole ſociety.

Such a ſyſtem of adminiſtration might perhaps free a tax of this kind from any degree of uncertainty which could occaſion either oppreſſion or inconveniency to the contributor; and might at the ſame time ſerve to introduce into the common management of land, ſuch a plan or policy as might contribute a good deal to the general improvement and good cultivation of the country.

The expence of levying a land-tax, which varied with every variation of the rent, would no doubt be ſomewhat greater than that of levying one which was always rated according to a fixed valuation. Some additional expence would neceſſarily be incurred both by the different regiſter offices which it would be proper to eſtabliſh in the different diſtricts of the country, and by the different valuations which might occaſionally be made of

the lands which the proprietor chose to occupy himself. The expence of all this, however, might be very moderate, and much below what is incurred in the levying of many other taxes which afford a very inconsiderable revenue in comparison of what might easily be drawn from a tax of this kind.

The discouragement which a variable land-tax of this kind might give to the improvement of land seems to be the most important objection which can be made to it. The landlord would certainly be less disposed to improve when the sovereign, who contributed nothing to the expence, was to share in the profit of the improvement. Even this objection might perhaps be obviated by allowing the landlord, before he began his improvement, to ascertain, in conjunction with the officers of revenue, the actual value of his lands according to the equitable arbitration of a certain number of landlords and farmers in the neighbourhood equally chosen by both parties; and by rating him according to this valuation for such a number of years, as might be fully sufficient for his complete indemnification. To draw the attention of the sovereign towards the improvement of the land, from a regard to the increase of his own revenue, is one of the principal advantages proposed by this species of land-tax. The term, therefore, allowed for the indemnification of the landlord ought not to be a great deal longer than what was necessary for that purpose; lest the remoteness of the interest should discourage too much this attention. It had better, however, be somewhat too long than in any respect too short. No encitement to the attention of the sovereign can ever counter-balance the smallest discouragement to that of the landlord. The attention of the sovereign can be at best but a very general and vague consideration of what is likely to contribute to the better cultivation of the greater part of his dominions. The attention of the landlord is a particular and minute consideration of what is likely to be the most advan-

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tageous application of every inch of ground upon his eſtate. The principal attention of the ſovereign ought to be to encourage, by every means in his power, the attention both of the landlord and of the farmer; by allowing both to purſue their own intereſt in their own way, and according to their own judgement; by giving to both the moſt perfect ſecurity that they ſhall enjoy the full recompence of their own induſtry; and by procuring to both the moſt extenſive market for every part of their produce in conſequence of eſtabliſhing the eaſieſt and ſafeſt communications both by land and by water, through every part of his own dominions, as well as the moſt unbounded freedom of exportation to the dominions of all other princes.

If by ſuch a ſyſtem of adminiſtration a tax of this kind could be ſo managed as to give, not only no diſcouragement, but, on the contrary, ſome encouragement to the improvement of land, it does not appear likely to occaſion any other inconveniency to the landlord, except always the unavoidable one of being obliged to pay the tax.

In all the variations of the ſtate of the ſociety, in the improvement and in the declenſion of agriculture; in all the variations in the value of ſilver, and in all thoſe in the ſtandard of the coin, a tax of this kind would, of its own accord and without any attention of government, readily ſuit itſelf to the actual ſituation of things, and would be equally juſt and equitable in all thoſe different changes. It would, therefore, be much more proper to be eſtabliſhed as a perpetual and unalterable regulation, or as what is called a fundamental law of the common-wealth, than any tax which was always to be levied according to a certain valuation.

Some ſtates, inſtead of the ſimple and obvious expedient of a regiſter of leaſes, have had recourſe to the laborious and expenſive

one of an actual ſurvey and valuation of all the lands in the country. They have ſuſpected, probably, that the leſſor and leſſee, in order to defraud the public revenue, might combine to conceal the real terms of the leaſe. Doomſday book ſeems to have been the reſult of a very accurate ſurvey of this kind.

In the antient dominions of the king of Pruſſia the land-tax is aſſeſſed according to an actual ſurvey and valuation, which is reviewed and altered from time to time *. According to that valuation the lay proprietors pay from twenty to twenty-five per cent. of their revenue. Eccleſiaſtics from forty to forty-five per cent. The ſurvey and valuation of Sileſia was made by order of the preſent king; it is ſaid with great accuracy. According to that valuation the lands belonging to the biſhop of Breſlaw are taxed at twenty-five per cent. of their rent. The other revenues of the eccleſiaſtics of both religions, at fifty per cent. The commanderies of the Teutonic order and of that of Malta, at forty per cent. Lands held by a noble tenure, at thirty-eight and one-third per cent. Lands held by a baſe tenure, at thirty-five and one-third per cent.

The ſurvey and valuation of Bohemia is ſaid to have been the work of more than a hundred years. It was not perfected till after the peace of 1748, by the orders of the preſent empreſs queen †. The ſurvey of the dutchy of Milan, which was begun in the time of Charles VI. was not perfected till after 1760. It is eſteemed one of the moſt accurate that has ever been made. The ſurvey of Savoy and Piemont was executed under the orders of the late king of Sardinia ‡.

* Memoires concernant les Droits, &c. tome i. p. 114, 115, 116, &c.

† Id. p. 83, 84. ‡ Id. p. 280, &c. alſo p. 287, &c. to 316.

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In the dominions of the king of Pruſſia the revenue of the church is taxed much higher than that of lay proprietors. The revenue of the church is, the greater part of it, a burden upon the rent of land. It ſeldom happens that any part of it is applied towards the improvement of land; or is ſo employed as to contribute in any reſpect towards increaſing the revenue of the great body of the people. His Pruſſian majeſty had probably, upon that account, thought it reaſonable that it ſhould contribute a good deal more towards relieving the exigencies of the ſtate. In ſome countries the lands of the church are exempted from all taxes. In others they are taxed more lightly than other lands. In the dutchy of Milan, the lands which the church poſſeſſed before 1575, are rated to the tax at a third only of their value.

In Sileſia lands held by a noble tenure are taxed three per cent. higher than thoſe held by a baſe tenure. The honours and privileges of different kinds annexed to the former, his Pruſſian majeſty had probably imagined, would ſufficiently compenſate to the proprietor a ſmall aggravation of the tax; while at the ſame time the humiliating inferiority of the latter would be in ſome meaſure alleviated by being taxed ſomewhat more lightly. In other countries the ſyſtem of taxation, inſtead of alleviating, aggravates this inequality. In the dominions of the king of Sardinia, and in thoſe provinces of France which are ſubject to what is called the Real or predial taille, the tax falls altogether upon the lands held by a baſe tenure. Thoſe held by a noble one are exempted.

A LAND-TAX aſſeſſed according to a general ſurvey and valuation, how equal ſoever it may be at firſt, muſt, in the courſe of a very moderate period of time, become unequal. To prevent its becoming ſo would require the continual and painful attention of government to all the variations in the ſtate and produce of

every different farm in the country. The governments of Pruſſia, of Bohemia, of Sardinia, and of the dutchy of Milan, actually exert an attention of this kind; an attention ſo unſuitable to the nature of government, that it is not likely to be of long continuance, and which, if it is continued, will probably in the long-run occaſion much more trouble and vexation than it can poſſibly bring relief to the contributors.

In 1666, the generality of Montauban was aſſeſſed to the Real or predial taille according, it is ſaid, to a very exact ſurvey and valuation *. By 1727, this aſſeſſment had become altogether unequal. In order to remedy this inconveniency, government has found no better expedient than to impoſe upon the whole generality an additional tax of a hundred and twenty thouſand livres. This additional tax is rated upon all the different diſtricts ſubject to the taille according to the old aſſeſſment. But it is levied only upon thoſe which in the actual ſtate of things are by that aſſeſſment under-taxed, and it is applied to the relief of thoſe which by the ſame aſſeſſment are over-taxed. Two diſtricts, for example, one of which ought in the actual ſtate of things to be taxed at nine hundred, the other at eleven hundred livres, are by the old aſſeſſment both taxed at a thouſand livres. Both theſe diſtricts are by the additional tax rated at eleven hundred livres each. But this additional tax is levied only upon the diſtrict undercharged, and it is applied altogether to the relief of that overcharged, which conſequently pays only nine hundred livres. The government neither gains nor loſes by the additional tax, which is applied altogether to remedy the inequalities ariſing from the old aſſeſſment. The application is pretty much regulated according to the diſcretion of the intendant of the generality, and muſt, therefore, be in a great meaſure arbitrary.

* Id. tome ii. p. 137, &c.

Taxes

Taxes which are proportioned, not to the Rent, but to the produce of Land.

TAXES upon the produce of land are in reality taxes upon the rent; and though they may be originally advanced by the farmer, are finally paid by the landlord. When a certain portion of the produce is to be paid away for a tax, the farmer computes, as well as he can, what the value of this portion is, one year with another, likely to amount to, and he makes a proportionable abatement in the rent which he agrees to pay to the landlord. There is no farmer who does not compute beforehand what the church-tythe, which is a land-tax of this kind, is, one year with another, likely to amount to.

THE tythe, and every other land-tax of this kind, under the appearance of perfect equality, are very unequal taxes; a certain portion of the produce being, in different ſituations, equivalent to a very different portion of the rent. In ſome very rich lands the produce is ſo great, that the one half of it is fully ſufficient to replace to the farmer his capital employed in cultivation, together with the ordinary profits of farming ſtock in the neighbourhood. The other half, or, what comes to the ſame thing, the value of the other half, he could afford to pay as rent to the landlord, if there was no tythe. But if a tenth of the produce is taken from him in the way of tythe, he muſt require an abatement of the fifth part of this rent, otherwiſe he cannot get back his capital with the ordinary profit. In this caſe the rent of the landlord, inſtead of amounting to a half, or five-tenths of the whole produce, will amount only to four-tenths of it. In poorer lands, on the contrary, the produce is ſometimes ſo ſmall, and the expence of cultivation ſo great, that it requires four-fifths of the whole produce to replace to the farmer his capital with the ordinary profit. In this caſe,

caſe, though there was no tythe, the rent of the landlord could amount to no more than one-fifth or two-tenths of the whole produce. But if the farmer pays one-tenth of the produce in the way of tythe, he muſt require an equal abatement of the rent of the landlord, which will thus be reduced to one-tenth only of the whole produce. Upon the rent of rich lands, the tythe may ſometimes be a tax of no more than one-fifth part, or four ſhillings in the pound; whereas, upon that of poorer lands, it may ſometimes be a tax of one-half, or of ten ſhillings in the pound.

The tythe, as it is frequently a very unequal tax upon the rent, ſo it is always a great diſcouragement both to the improvements of the landlord and to the cultivation of the farmer. The one cannot venture to make the moſt important, which are generally the moſt expenſive improvements; nor the other to raiſe the moſt valuable, which are generally too the moſt expenſive crops; when the church, which lays out no part of the expence, is to ſhare ſo very largely in the profit. The cultivation of madder was for a long time confined by the tythe to the United Provinces, which, being preſbyterian countries, and upon that account exempted from this deſtructive tax, enjoyed a ſort of monopoly of that uſeful dying drug againſt the reſt of Europe. The late attempts to introduce the culture of this plant into England, have been made only in conſequence of the ſtatute which enacted that five ſhillings an acre ſhould be received in lieu of all manner of tythe upon madder.

As through the greater part of Europe, the church, ſo in many different countries of Aſia the ſtate, is principally ſupported by a land-tax, proportioned, not to the rent, but to the produce of the land. In China, the principal revenue of the ſovereign conſiſts in a tenth part of the produce of all the lands of the empire. This tenth part, however, is eſtimated ſo very moderately, that, in many provinces,

vinces, it is ſaid not to exceed a thirtieth part of the ordinary produce. The land-tax or land rent which uſed to be paid to the Mahometan government of Bengal, before that country fell into the hands of the Engliſh Eaſt India company, is ſaid to have amounted to about a fifth part of the produce. The land-tax of antient Egypt is ſaid likewiſe to have amounted to a fifth part.

In Aſia, this ſort of land-tax is ſaid to intereſt the ſovereign in the improvement and cultivation of land. The ſovereigns of China, thoſe of Bengal while under the Mahometan government, and thoſe of antient Egypt, are ſaid accordingly to have been extremely attentive to the making and maintaining of good roads and navigable canals, in order to increaſe, as much as poſſible, both the quantity and value of every part of the produce of the land, by procuring to every part of it the moſt extenſive market which their own dominions could afford. The tythe of the church is divided into ſuch ſmall portions, that no one of its proprietors can have any intereſt of this kind. The parſon of a pariſh could never find his account in making a road or canal to a diſtant part of the country, in order to extend the market for the produce of his own particular pariſh. Such taxes, when deſtined for the maintenance of the ſtate, have ſome advantages which may ſerve in ſome meaſure to balance their inconveniency. When deſtined for the maintenance of the church, they are attended with nothing but inconveniency.

Taxes upon the produce of land may be levied, either in kind; or, according to a certain valuation, in money.

The parſon of a pariſh, or a gentleman of ſmall fortune who lives upon his eſtate, may ſometimes, perhaps, find ſome advantage in receiving, the one his tythe, and the other his rent, in kind.

The

The quantity to be collected, and the diſtrict within which it is to be collected, are ſo ſmall, that they both can overſee, with their own eyes, the collection and diſpoſal of every part of what is due to them. A gentleman of great fortune, who lived in the capital, would be in danger of ſuffering much by the neglect, and more by the fraud of his factors and agents, if the rents of an eſtate in a diſtant province were to be paid to him in this manner. The loſs of the ſovereign, from the abuſe and depredation of his tax-gatherers, would neceſſarily be much greater. The ſervants of the moſt careleſs private perſon are, perhaps, more under the eye of their maſter than thoſe of the moſt careful prince; and a public revenue, which was paid in kind, would ſuffer ſo much from the miſmanagement of the collectors, that a very ſmall part of what was levied upon the people would ever arrive at the treaſury of the prince. Some part of the public revenue of China, however, is ſaid to be paid in this manner. The Mandarins and other tax-gatherers will, no doubt, find their advantage in continuing the practice of a payment which is ſo much more liable to abuſe than any payment in money.

A Tax upon the produce of land which is levied in money, may be levied either according to a valuation which varies with all the variations of the market price; or according to a fixed valuation, a buſhel of wheat, for example, being always valued at one and the ſame money price, whatever may be the ſtate of the market. The produce of a tax levied in the former way, will vary only according to the variations in the real produce of the land, according to the improvement or neglect of cultivation. The produce of a tax levied in the latter way will vary, not only according to the variations in the produce of the land, but according to both thoſe in the value of the precious metals, and thoſe in the quantity of thoſe metals which is at different times contained in

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coin of the ſame denomination. The produce of the former will always bear the ſame proportion to the value of the real produce of the land. The produce of the latter may, at different times, bear very different proportions to that value.

When, inſtead either of a certain portion of the produce of land, or of the price of a certain portion, a certain ſum of money is to be paid in full compenſation for all tax or tythe; the tax becomes, in this caſe, exactly of the ſame nature with the land-tax of England. It neither riſes nor falls with the rent of the land. It neither encourages nor diſcourages improvement. The tythe in the greater part of thoſe pariſhes which pay what is called a Modus in lieu of all other tythe, is a tax of this kind. During the Mahometan government of Bengal, inſtead of the payment in kind of a fifth part of the produce, a modus, and, it is ſaid, a very moderate one, was eſtabliſhed in the greater part of the diſtricts or zemindaries of the country. Some of the ſervants of the Eaſt India company, under pretence of reſtoring the public revenue to its proper value, have, in ſome provinces, exchanged this modus for a payment in kind. Under their management this change is likely both to diſcourage cultivation, and to give new opportunities for abuſe in the collection of the public revenue, which has fallen very much below what it was ſaid to have been when it firſt fell under the management of the company. The ſervants of the company may, perhaps, have profited by this change, but at the expence, it is probable, both of their maſters and of the country.

Taxes upon the Rent of Houſes.

THE rent of a houſe may be diſtinguiſhed into two parts, of which the one may very properly be called the Building rent; the other is commonly called the Ground rent.

THE building rent is the intereſt or profit of the capital expended in building the houſe. In order to put the trade of a builder upon a level with other trades, it is neceſſary that this rent ſhould be ſufficient, firſt, to pay him the ſame intereſt which he would have got for his capital if he had lent it upon good ſecurity; and, ſecondly, to keep the houſe in conſtant repair, or, what comes to the ſame thing, to replace, within a certain term of years, the capital which had been employed in building it. The building rent, or the ordinary profit of building, is, therefore, every where regulated by the ordinary intereſt of money. Where the market rate of intereſt is four per cent. the rent of a houſe which, over and above paying the ground rent, affords ſix, or ſix and a half per cent. upon the whole expence of building, may perhaps afford a ſufficient profit to the builder. Where the market rate of intereſt is five per cent. it may perhaps require ſeven or ſeven and a half per cent. If, in proportion to the intereſt of money, the trade of the builder affords at any time a much greater profit than this, it will ſoon draw ſo much capital from other trades as will reduce the profit to its proper level. If it affords at any time much leſs than this, other trades will ſoon draw ſo much capital from it as will again raiſe that profit.

WHATEVER part of the whole rent of a houſe is over and above what is ſufficient for affording this reaſonable profit, naturally goes to the ground-rent; and where the owner of the ground and the owner of the building are two different perſons, is, in moſt caſes, completely paid to the former. This ſurplus rent is the price which the inhabitant of the houſe pays for ſome real or ſuppoſed advantage of the ſituation. In country houſes, at a diſtance from any great town, where there is plenty of ground to chuſe upon, the ground rent is ſcarce any thing, or no more than what the ground which the houſe ſtands upon would pay if employed in

agriculture. In country villas in the neighbourhood of ſome great town, it is ſometimes a good deal higher; and the peculiar conveniency or beauty of ſituation is there frequently very well paid for. Ground rents are generally higheſt in the capital, and in thoſe particular parts of it where there happens to be the greateſt demand for houſes, whatever be the reaſon of that demand, whether for trade and buſineſs, for pleaſure and ſociety, or for mere vanity and faſhion.

A TAX upon houſe-rent, payable by the tenant and proportioned to the whole rent of each houſe, could not, for any conſiderable time at leaſt, affect the building rent. If the builder did not get his reaſonable profit, he would be obliged to quit the trade; which, by raiſing the demand for building, would in a ſhort time bring back his profit to its proper level with that of other trades. Neither would ſuch a tax fall altogether upon the ground rent; but it would divide itſelf in ſuch a manner as to fall, partly upon the inhabitant of the houſe, and partly upon the owner of the ground.

LET us ſuppoſe, for example, that a particular perſon judges that he can afford for houſe-rent an expence of ſixty pounds a year; and let us ſuppoſe too that a tax of four ſhillings in the pound, or of one-fifth, payable by the inhabitant, is laid upon houſe-rent. A houſe of ſixty pounds rent will in this caſe coſt him ſeventy-two pounds a year, which is twelve pounds more than he thinks he can afford. He will, therefore, content himſelf with a worſe houſe, or a houſe of fifty pounds rent, which, with the additional ten pounds that he muſt pay for the tax, will make up the ſum of ſixty pounds a year, the expence which he judges he can afford; and in order to pay the tax he will give up a part of the additional conveniency which he might have had from a houſe of ten pounds a year more rent. He will give up, I ſay, a part of

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this additional conveniency; for he will ſeldom be obliged to give up the whole, but will, in conſequence of the tax, get a better houſe for fifty pounds a year, than he could have got if there had been no tax. For as a tax of this kind, by taking away this particular competitor, muſt diminiſh the competition for houſes of ſixty pounds rent, ſo it muſt likewiſe diminiſh it for thoſe of fifty pounds rent, and in the ſame manner for thoſe of all other rents, except the loweſt rent, for which it would for ſome time increaſe the competition. But the rents of every claſs of houſes for which the competition was diminiſhed, would neceſſarily be more or leſs reduced. As no part of this reduction, however, could, for any conſiderable time at leaſt, affect the building rent; the whole of it muſt in the long-run neceſſarily fall upon the ground-rent. The final payment of this tax, therefore, would fall, partly upon the inhabitant of the houſe, who, in order to pay his ſhare, would be obliged to give up a part of his conveniency; and partly upon the owner of the ground, who, in order to pay his ſhare, would be obliged to give up a part of his revenue. In what proportion this final payment would be divided between them, it is not perhaps very eaſy to aſcertain. The diviſion would probably be very different in different circumſtances, and a tax of this kind might, according to thoſe different circumſtances, affect very unequally both the inhabitant of the houſe and the owner of the ground.

The inequality with which a tax of this kind might fall upon the owners of different ground rents, would ariſe altogether from the accidental inequality of this diviſion. But the inequality with which it might fall upon the inhabitants of different houſes would ariſe, not only from this, but from another cauſe. The proportion of the expence of houſe-rent to the whole expence of living, is different in the different degrees of fortune. It is perhaps higheſt in the higheſt degree, and it diminiſhes gradually through the infe-

rior degrees, ſo as in general to be loweſt in the loweſt degree. The neceſſaries of life occaſion the great expence of the poor. They find it difficult to get food, and the greater part of their little revenue is ſpent in getting it. The luxuries and vanities of life occaſion the principal expence of the rich; and a magnificent houſe embelliſhes and ſets off to the beſt advantage all the other luxuries and vanities which they poſſeſs. A tax upon houſe-rents, therefore, would in general fall heavieſt upon the rich; and in this ſort of inequality there would not, perhaps, be any thing very unreaſonable. It is not very unreaſonable that the rich ſhould contribute to the public expence, not only in proportion to their revenue, but ſomething more than in that proportion.

The rent of houſes, though it in ſome reſpects reſembles the rent of land, is in one reſpect eſſentially different from it. The rent of land is paid for the uſe of a productive ſubject. The land which pays it produces it. The rent of houſes is paid for the uſe of an unproductive ſubject. Neither the houſe nor the ground which it ſtands upon produce any thing. The perſon who pays the rent, therefore, muſt draw it from ſome other ſource of revenue, diſtinct from, and independent of, this ſubject. A tax upon the rent of houſes, ſo far as it falls upon the inhabitants, muſt be drawn from the ſame ſource as the rent itſelf, and muſt be paid from their revenue, whether derived from the wages of labour, the profits of ſtock, or the rent of land. So far as it falls upon the inhabitants, it is one of thoſe taxes which fall, not upon one only, but indifferently upon all the three different ſources of revenue; and is in every reſpect of the ſame nature as a tax upon any other ſort of conſumable commodities. In general there is not, perhaps, any one article of expence or conſumption by which the liberality or narrowneſs of a man's whole expence can be better judged of, than by his houſe-rent. A proportional tax upon this

this particular article of expence might, perhaps, produce a more conſiderable revenue than any which has hitherto been drawn from it in any part of Europe. If the tax indeed was very high, the greater part of people would endeavour to evade it as much as they could, by contenting themſelves with ſmaller houſes, and by turning the greater part of their expence into ſome other channel.

The rent of houſes might eaſily be aſcertained with ſufficient accuracy, by a policy of the ſame kind with that which would be neceſſary for aſcertaining the ordinary rent of land. Houſes not inhabited ought to pay no tax. A tax upon them would fall altogether upon the proprietor, who would thus be taxed for a ſubject which afforded him neither conveniency nor revenue. Houſes inhabited by the proprietor ought to be rated, not according to the expence which they might have coſt in building, but according to the rent which an equitable arbitration might judge them likely to bring, if leaſed to a tenant. If rated according to the expence which they may have coſt in building, a tax of three or four ſhillings in the pound, joined with other taxes, would ruin almoſt all the rich and great families of this, and, I believe, of every other civilized country. Whoever will examine, with attention, the different town and country houſes of ſome of the richeſt and greateſt families in this country, will find that, at the rate of only ſix and a half, or ſeven per cent. upon the original expence of building, their houſe-rent is nearly equal to the whole neat rent of their eſtates. It is the accumulated expence of ſeveral ſucceſſive generations, laid out upon objects of great beauty and magnificence, indeed; but, in proportion to what they coſt, of very ſmall exchangeable value.

Ground-rents are a ſtill more proper ſubject of taxation than the rent of houſes. A tax upon ground-rents would not

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raiſe the rents of houſes. It would fall altogether upon the owner of the ground-rent, who acts always as a monopoliſt, and exacts the greateſt rent which can be got for the uſe of his ground. More or leſs can be got for it according as the competitors happen to be richer or poorer, or can afford to gratify their fancy for a particular ſpot of ground at a greater or ſmaller expence. In every country the greateſt number of rich competitors is in the capital, and it is there accordingly that the higheſt ground-rents are always to be found. As the wealth of thoſe competitors would in no reſpect be increaſed by a tax upon ground-rents, they would not probably be diſpoſed to pay more for the uſe of the ground. Whether the tax was to be advanced by the inhabitant or by the owner of the ground, would be of little importance. The more the inhabitant was obliged to pay for the tax, the leſs he would incline to pay for the ground; ſo that the final payment of the tax would fall altogether upon the owner of the ground-rent. The ground-rents of uninhabited houſes ought to pay no tax.

Both ground-rents and the ordinary rent of land are a ſpecies of revenue which the owner, in many caſes, enjoys without any care or attention of his own. Though a part of this revenue ſhould be taken from him in order to defray the expences of the ſtate, no diſcouragement will thereby be given to any ſort of induſtry. The annual produce of the land and labour of the ſociety, the real wealth and revenue of the great body of the people, might be the ſame after ſuch a tax as before. Ground-rents, and the ordinary rent of land, are therefore, perhaps, the ſpecies of revenue which can beſt bear to have a peculiar tax impoſed upon them.

Ground-rents ſeem, in this reſpect, a more proper ſubject of peculiar taxation than even the ordinary rent of land. The ordinary rent of land is, in many caſes, owing partly at leaſt to the attention

attention and good management of the landlord. A very heavy tax might diſcourage too much this attention and good management. Ground-rents, ſo far as they exceed the ordinary rent of land, are altogether owing to the good government of the ſovereign, which, by protecting the induſtry either of the whole people, or of the inhabitants of ſome particular place, enables them to pay ſo much more than its real value for the ground which they build their houſes upon; or to make to its owner ſo much more than compenſation for the loſs which he might ſuſtain by this uſe of it. Nothing can be more reaſonable than that a fund which owes its exiſtence to the good government of the ſtate, ſhould be taxed peculiarly, or ſhould contribute ſomething more than the greater part of other funds towards the ſupport of that government.

Though, in many different countries of Europe, taxes have been impoſed upon the rent of houſes, I do not know of any in which ground-rents have been conſidered as a ſeparate ſubject of taxation. The contrivers of taxes have, probably, found ſome difficulty in aſcertaining what part of the rent ought to be conſidered as ground-rent, and what part ought to be conſidered as building rent. It ſhould not, however, ſeem very difficult to diſtinguiſh thoſe two parts of the rent from one another.

In Great Britain the rent of houſes is ſuppoſed to be taxed in the ſame proportion as the rent of land, by what is called the annual land tax. The valuation, according to which each different pariſh and diſtrict is aſſeſſed to this tax, is always the ſame. It was originally extremely unequal, and it ſtill continues to be ſo. Through the greater part of the kingdom this tax falls ſtill more lightly upon the rent of houſes than upon that of land. In ſome few diſtricts only, which were originally rated high, and in which the

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rents of houſes have fallen conſiderably, the land tax of three or four ſhillings in the pound, is ſaid to amount to an equal proportion of the real rent of the houſes. Untenanted houſes, though by law ſubject to the tax, are, in moſt diſtricts, exempted from it by the favour of the aſſeſſors; and this exemption ſometimes occaſions ſome little variation in the rate of particular houſes, though that of the diſtrict is always the ſame.

In the province of Holland * every houſe is taxed at two and a half per cent. of its value, without any regard either to the rent which it actually pays, or to the circumſtance of its being tenanted or untenanted. There ſeems to be a hardſhip in obliging the proprietor to pay a tax for an untenanted houſe, from which he can derive no revenue; eſpecially ſo very heavy a tax. In Holland, where the market rate of intereſt does not exceed three per cent. two and a half per cent. upon the whole value of the houſe, muſt, in moſt caſes, amount to more than a third of the building-rent, perhaps of the whole rent. The valuation, indeed, according to which the houſes are rated, though very unequal, is ſaid to be always below the real value. When a houſe is rebuilt, improved, or enlarged, there is a new valuation, and the tax is rated accordingly.

The contrivers of the ſeveral taxes which in England have, at different times, been impoſed upon houſes, ſeem to have imagined that there was ſome great difficulty in aſcertaining, with tolerable exactneſs, what was the real rent of every houſe. They have regulated their taxes, therefore, according to ſome more obvious circumſtance, ſuch as they had probably imagined would, in moſt caſes, bear ſome proportion to the rent.

The firſt tax of this kind was hearth-money; or a tax of two ſhillings upon every hearth. In order to aſcertain how many hearths

* Memoires concernant les Droits, &c. p. 223.

hearths were in the houſe, it was neceſſary that the tax-gatherer ſhould enter every room in it. This odious viſit rendered the tax odious. Soon after the revolution, therefore, it was aboliſhed as a badge of ſlavery.

The next tax of this kind was, a tax of two ſhillings upon every dwelling houſe inhabited. A houſe with ten windows to pay four ſhillings more. A houſe with twenty windows and upwards to pay eight ſhillings. This tax was afterwards ſo far altered, that houſes with twenty windows, and with leſs than thirty, were ordered to pay ten ſhillings, and thoſe with thirty windows and upwards to pay twenty ſhillings. The number of windows can, in moſt caſes, be counted from the outſide, and, in all caſes, without entering every room in the houſe. The viſit of the tax-gatherer, therefore, was leſs offenſive in this tax than in the hearth-money.

This tax was afterwards repealed, and in the room of it was eſtabliſhed the window tax, which has undergone too ſeveral alterations and augmentations. The window tax, as it ſtands at preſent, (January, 1775) over and above the duty of three ſhillings upon every houſe in England, and of one ſhilling upon every houſe in Scotland, lays a duty upon every window, which, in England, augments gradually from two-pence, the loweſt rate, upon houſes with not more than ſeven windows; to two ſhillings, the higheſt rate, upon houſes with twenty-five windows and upwards.

The principal objection to all ſuch taxes is their inequality, an inequality of the worſt kind, as they muſt frequently fall much heavier upon the poor than upon the rich. A houſe of ten pounds rent in a country town may ſometimes have more windows than a houſe of five hundred pounds rent in London; and though the inhabitant of the former is likely to be a much poorer man than that of the latter, yet ſo far as his contribution is regulated by the

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window-tax, he muſt contribute more to the ſupport of the ſtate. Such taxes are, therefore, directly contrary to the firſt of the four maxims above mentioned. They do not ſeem to offend much againſt any of the other three.

THE natural tendency of the window-tax, and of all other taxes upon houſes, is to lower rents. The more a man pays for the tax, the leſs, it is evident, he can afford to pay for the rent. Since the impoſition of the window-tax, however, the rents of houſes have upon the whole riſen, more or leſs, in almoſt every town and village of Great Britain with which I am acquainted. Such has been almoſt every where the increaſe of the demand for houſes, that it has raiſed the rents more than the window-tax could ſink them; one of the many proofs of the great proſperity of the country, and of the increaſing revenue of its inhabitants. Had it not been for the tax, rents would probably have riſen ſtill higher.

ARTICLE II.

Taxes upon Profit, or upon the Revenue ariſing from Stock.

THE revenue or profit ariſing from ſtock naturally divides itſelf into two parts; that which pays the intereſt, and which belongs to the owner of the ſtock; and that ſurplus part which is over and above what is neceſſary for paying the intereſt.

THIS latter part of profit is evidently a ſubject not taxable directly. It is the compenſation, and in moſt caſes it is no more than a very moderate compenſation, for the riſk and trouble of employing the ſtock. The employer muſt have this compenſation, otherwiſe he cannot, conſiſtently with his own intereſt, continue the employment. If he was taxed directly, therefore, in proportion to the whole profit, he would be obliged either to raiſe

raiſe the rate of his profit, or to charge the tax upon the intereſt of money; that is, to pay leſs intereſt. If he raiſed the rate of his profit in proportion to the tax, the whole tax, though it might be advanced by him, would be finally paid by one or other of two different ſets of people, according to the different ways in which he might employ the ſtock of which he had the management. If he employed it as a farming ſtock in the cultivation of land, he could raiſe the rate of his profit only by retaining a greater portion, or, what comes to the ſame thing, the price of a greater portion of the produce of the land; and as this could be done only by a reduction of rent, the final payment of the tax would fall upon the landlord. If he employed it as a mercantile or manufacturing ſtock, he could raiſe the rate of his profit only by raiſing the price of his goods; in which caſe the final payment of the tax would fall altogether upon the conſumers of thoſe goods. If he did not raiſe the rate of his profit, he would be obliged to charge the whole tax upon that part of it which was allotted for the intereſt of money. He could afford leſs intereſt for whatever ſtock he borrowed, and the whole weight of the tax would in this caſe fall ultimately upon the intereſt of money. So far as he could not relieve himſelf from the tax in the one way, he would be obliged to relieve himſelf in the other.

The intereſt of money ſeems at firſt ſight a ſubject equally capable of being taxed directly as the rent of land. Like the rent of land it is a neat produce which remains after completely compenſating the whole riſk and trouble of employing the ſtock. As a tax upon the rent of land cannot raiſe rents; becauſe the neat produce which remains after replacing the ſtock of the farmer, together with his reaſonable profit, cannot be greater after the tax than before it: ſo, for the ſame reaſon, a tax upon the

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the intereſt of money could not raiſe the rate of intereſt; the quantity of ſtock or money in the country, like the quantity of land, being ſuppoſed to remain the ſame after the tax as before it. The ordinary rate of profit, it has been ſhewn in the firſt book, is every where regulated by the quantity of ſtock to be employed in proportion to the quantity of the employment, or of the buſineſs which muſt be done by it. But the quantity of the employment, or of the buſineſs to be done by ſtock, could neither be increaſed nor diminiſhed by any tax upon the intereſt of money. If the quantity of the ſtock to be employed, therefore, was neither increaſed nor diminiſhed by it, the ordinary rate of profit would neceſſarily remain the ſame. But the portion of this profit neceſſary for compenſating the riſk and trouble of the employer, would likewiſe remain the ſame; that riſk and trouble being in no reſpect altered. The reſidue, therefore, that portion which belongs to the owner of the ſtock, and which pays the intereſt of money, would neceſſarily remain the ſame too. At firſt ſight, therefore, the intereſt of money ſeems to be a ſubject as fit to be taxed directly as the rent of land.

THERE are, however, two different circumſtances which render the intereſt of money a much leſs proper ſubject of direct taxation than the rent of land.

FIRST, the quantity and value of the land which any man poſſeſſes can never be a ſecret, and can always be aſcertained with great exactneſs. But the whole amount of the capital ſtock which he poſſeſſes is almoſt always a ſecret, and can ſcarce ever be aſcertained with tolerable exactneſs. It is liable, beſides, to almoſt continual variations. A year ſeldom paſſes away, frequently not a month, ſometimes ſcarce a ſingle day, in which it does not riſe or fall more or leſs. An inquiſition into every man's private circumſtances, and an inquiſition which, in order to accommodate

accommodate the tax to them, watched over all the fluctuations of his fortune, would be a ſource of ſuch continual and endleſs vexation as no people could ſupport.

SECONDLY, land is a ſubject which cannot be removed; whereas ſtock eaſily may. The proprietor of land is neceſſarily a citizen of the particular country in which his eſtate lies. The proprietor of ſtock is properly a citizen of the world, and is not neceſſarily attached to any particular country. He would be apt to abandon the country in which he was expoſed to a vexatious inquiſition, in order to be aſſeſſed to a burdenſome tax, and would remove his ſtock to ſome other country where he could either carry on his buſineſs or enjoy his fortune more at his eaſe. By removing his ſtock he would put an end to all the induſtry which it had maintained in the country which he left. Stock cultivates land; ſtock employs labour. A tax which tended to drive away ſtock from any particular country, would ſo far tend to dry up every ſource of revenue, both to the ſovereign and to the ſociety. Not only the profits of ſtock, but the rent of land and the wages of labour, would neceſſarily be more or leſs diminiſhed by its removal.

THE nations, accordingly, who have attempted to tax the revenue ariſing from ſtock, inſtead of any ſevere inquiſition of this kind, have been obliged to content themſelves with ſome very looſe, and therefore more or leſs arbitrary eſtimation. The extreme inequality and uncertainty of a tax aſſeſſed in this manner, can be compenſated only by its extreme moderation, in conſequence of which every man finds himſelf rated ſo very much below his real revenue, that he gives himſelf little diſturbance though his neighbour ſhould be rated ſomewhat lower.

BY what is called the land-tax in England, it was intended that ſtock ſhould be taxed in the ſame proportion as land.

When

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When the tax upon land was at four ſhillings in the pound, or at one-fifth of the ſuppoſed rent, it was intended that ſtock ſhould be taxed at one-fifth of the ſuppoſed intereſt. When the preſent annual land-tax was firſt impoſed, the legal rate of intereſt was ſix per cent. Every hundred pounds ſtock, accordingly, was ſuppoſed to be taxed at twenty-four ſhillings, the fifth part of ſix pounds. Since the legal rate of intereſt has been reduced to five per cent. every hundred pounds ſtock is ſuppoſed to be taxed at twenty ſhillings only. The ſum to be raiſed, by what is called the land-tax, was divided between the country and the principal towns. The greater part of it was laid upon the country; and of what was laid upon the towns, the greater part was aſſeſſed upon the houſes. What remained to be aſſeſſed upon the ſtock or trade of the towns (for the ſtock upon the land was not meant to be taxed) was very much below the real value of that ſtock or trade. Whatever inequalities, therefore, there might be in the original aſſeſſment, gave little diſturbance. Every pariſh and diſtrict ſtill continues to be rated for its land, its houſes, and its ſtock, according to the original aſſeſſment; and the almoſt univerſal proſperity of the country, which in moſt places has raiſed very much the value of all theſe, has rendered thoſe inequalities of ſtill leſs importance now. The rate too upon each diſtrict continuing always the ſame, the uncertainty of this tax, ſo far as it might be aſſeſſed upon the ſtock of any individual, has been very much diminiſhed, as well as rendered of much leſs conſequence. If the greater part of the lands of England are not rated to the land-tax at half their actual value, the greater part of the ſtock of England is perhaps ſcarce rated at the fiftieth part of its actual value. In ſome towns the whole land-tax is aſſeſſed upon houſes; as in Weſtminſter, where ſtock and trade are free. It is otherwiſe in London.

In all countries a ſevere inquiſition into the circumſtances of private perſons has been carefully avoided.

At Hamburgh * every inhabitant is obliged to pay to the ſtate, one-fourth per cent. of all that he poſſeſſes; and as the wealth of the people of Hamburgh conſiſts principally in ſtock, this tax may be conſidered as a tax upon ſtock. Every man aſſeſſes himſelf, and, in the preſence of the magiſtrate, puts annually into the public coffer a certain ſum of money, which he declares upon oath to be one-fourth per cent. of all that he poſſeſſes, but without declaring what it amounts to, or being liable to any examination upon that ſubject. This tax is generally ſuppoſed to be paid with great fidelity. In a ſmall republic, where the people have entire confidence in their magiſtrates, are convinced of the neceſſity of the tax for the ſupport of the ſtate, and believe that it will be faithfully applied to that purpoſe, ſuch conſcientious and voluntary payment may ſometimes be expected. It is not peculiar to the people of Hamburgh.

The canton of Underwold in Switzerland is frequently ravaged by ſtorms and inundations, and is thereby expoſed to extraordinary expences. Upon ſuch occaſions the people aſſemble, and every one is ſaid to declare with the greateſt frankneſs what he is worth, in order to be taxed accordingly. At Zurich the law orders that in caſes of neceſſity every one ſhould be taxed in proportion to his revenue; the amount of which he is obliged to declare upon oath. They have no ſuſpicion, it is ſaid, that any of their fellow citizens will deceive them. At Baſil the principal revenue of the ſtate ariſes from a ſmall cuſtom upon goods exported. All the citizens make oath that they will pay every three months all the taxes impoſed by the law. All merchants and even all inn-keepers are truſted with keeping themſelves the

* Memoires concernant les Droits, tome i. p. 74.

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account of the goods which they ſell either within or without the territory. At the end of every three months they ſend this account to the treaſurer, with the amount of the tax computed at the bottom of it. It is not ſuſpected that the revenue ſuffers by this confidence *.

To oblige every citizen to declare publickly upon oath the amount of his fortune, muſt not, it ſeems, in thoſe Swiſs cantons, be reckoned a hardſhip. At Hamburgh it would be reckoned the greateſt. Merchants engaged in the hazardous projects of trade, all tremble at the thoughts of being obliged at all times to expoſe the real ſtate of their circumſtances. The ruin of their credit and the miſcarriage of their projects, they foreſee, would too often be the conſequence. A ſober and parſimonious people, who are ſtrangers to all ſuch projects, do not feel that they have occaſion for any ſuch concealment.

In Holland, ſoon after the exaltation of the late prince of Orange to the ſtadtholderſhip, a tax of two per cent. or the fiftieth penny, as it was called, was impoſed upon the whole ſubſtance of every citizen. Every citizen aſſeſſed himſelf and paid his tax in the ſame manner as at Hamburgh; and it was in general ſuppoſed to have been paid with great fidelity. The people had at that time the greateſt affection for their new government, which they had juſt eſtabliſhed by a general inſurrection. The tax was to be paid but once; in order to relieve the ſtate in a particular exigency. It was, indeed, too heavy to be permanent. In a country where the market rate of intereſt ſeldom exceeds three per cent. a tax of two per cent. amounts to thirteen ſhillings and fourpence in the pound upon the higheſt neat revenue which is commonly drawn from ſtock. It is a tax

* Id. tome i. p. 163, 166, 171.

which very few people could pay without encroaching more or leſs upon their capitals. In a particular exigency the people may, from great public zeal, make a great effort, and give up even a part of their capital in order to relieve the ſtate. But it is impoſſible that they ſhould continue to do ſo for any conſiderable time; and if they did, the tax would ſoon ruin them ſo completely as to render them altogether incapable of ſupporting the ſtate.

The tax upon ſtock impoſed by the land-tax bill in England, tho' it is proportioned to the capital, is not intended to diminiſh or take away any part of that capital. It is meant only to be a tax upon the intereſt of money proportioned to that upon the rent of land; ſo that when the latter is at four ſhillings in the pound, the former may be at four ſhillings in the pound too. The tax at Hamburgh, and the ſtill more moderate taxes of Underwold and Zurich, are meant, in the ſame manner, to be taxes, not upon the capital, but upon the intereſt or neat revenue of ſtock. That of Holland was meant to be a tax upon the capital.

Taxes upon the Profit of particular Employments.

IN ſome countries extraordinary taxes are impoſed upon the profits of ſtock; ſometimes when employed in particular branches of trade, and ſometimes when employed in agriculture.

Of the former kind are in England the tax upon hawkers and pedlars, that upon hackney coaches and chairs, and that which the keepers of ale-houſes pay for a licence to retail ale and ſpirituous liquors. During the late war, another tax of the ſame kind was propoſed upon ſhops. The war having been undertaken, it was ſaid, in defence of the trade of the country, the merchants,

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who were to profit by it, ought to contribute towards the ſupport of it.

A TAX, however, upon the profits of ſtock employed in any particular branch of trade, can never fall finally upon the dealers (who muſt in all ordinary caſes have their reaſonable profit, and, where the competition is free, can ſeldom have more than that profit) but always upon the conſumers, who muſt be obliged to pay in the price of the goods the tax which the dealer advances; and generally with ſome over-charge.

A TAX of this kind, when it is proportioned to the trade of the dealer, is finally paid by the conſumer, and occaſions no oppreſſion to the dealer. When it is not ſo proportioned, but is the ſame upon all dealers, though in this caſe too it is finally paid by the conſumer, yet it favours the great, and occaſions ſome oppreſſion to the ſmall dealer. The tax of five ſhillings a week upon every hackney coach, and that of ten ſhillings a year upon every hackney chair, ſo far as it is advanced by the different keepers of ſuch coaches and chairs, is exactly enough proportioned to the extent of their reſpective dealings. It neither favours the great, nor oppreſſes the ſmaller dealer. The tax of twenty ſhillings a year for a licence to ſell ale; of forty ſhillings for a licence to ſell ſpirituous liquors; and of forty ſhillings more for a licence to ſell wine, being the ſame upon all retailers, muſt neceſſarily give ſome advantage to the great, and occaſion ſome oppreſſion to the ſmall dealers. The former muſt find it more eaſy to get back the tax in the price of their goods than the latter. The moderation of the tax, however, renders this inequality of leſs importance, and it may to many people appear not improper to give ſome diſcouragement to the multiplication of little ale-houſes. The tax upon ſhops, it was intended, ſhould be the ſame upon all ſhops. It could not well have been otherwiſe. It would

would have been impoſſible to proportion with tolerable exactneſs the tax upon a ſhop to the extent of the trade carried on in it, without ſuch an inquiſition, as would have been altogether inſupportable in a free country. If the tax had been conſiderable, it would have oppreſſed the ſmall, and forced almoſt the whole retail trade into the hands of the great dealers. The competition of the former being taken away, the latter would have enjoyed a monopoly of the trade; and like all other monopoliſts would ſoon have combined to raiſe their profits much beyond what was neceſſary for the payment of the tax. The final payment, inſtead of falling upon the ſhopkeeper, would have fallen upon the conſumer, with a conſiderable over-charge to the profit of the ſhopkeeper. For theſe reaſons, the project of a tax upon ſhops was laid aſide, and in the room of it was ſubſtituted the ſubſidy 1759.

What in France is called the perſonal taille is, perhaps, the moſt important tax upon the profits of ſtock employed in agriculture that is levied in any part of Europe.

In the diſorderly ſtate of Europe during the prevalence of the feudal government, the ſovereign was obliged to content himſelf with taxing thoſe who were too weak to refuſe to pay taxes. The great lords, though willing to aſſiſt him upon particular emergencies, refuſed to ſubject themſelves to any conſtant tax, and he was not ſtrong enough to force them. The occupiers of land, all over Europe, were the greater part of them originally bond-men. Through the greater part of Europe they were gradually emancipated. Some of them acquired the property of landed eſtates which they held by ſome baſe or ignoble tenure, ſometimes under the king, and ſometimes under ſome other great lord, like the antient copy-holders of England. Others, without acquiring the property, obtained leaſes for terms of years of the lands which they occu-

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pied under their lord, and thus became leſs dependent upon him. The great lords ſeem to have beheld the degree of proſperity and independency which this inferior order of men had thus come to enjoy, with malignant and contemptuous indignation, and willingly conſented that the ſovereign ſhould tax them. In ſome countries this tax was confined to the lands which were held in property by an ignoble tenure; and, in this caſe, the taille was ſaid to be real. The land-tax eſtabliſhed by the late king of Sardinia, and the taille in the provinces of Languedoc, Provence, Dauphiné, and Brittany; in the generality of Montauban, and in the elections of Agen and Condom, as well as in ſome other diſtricts of France, are taxes upon lands held in property by an ignoble tenure. In other countries the tax was laid upon the ſuppoſed profits of all thoſe who held in farm or leaſe lands belonging to other people, whatever might be the tenure by which the proprietor held them; and in this caſe the taille was ſaid to be perſonal. In the greater part of thoſe provinces of France, which are called the Countries of Elections, the taille is of this kind. The real taille, as it is impoſed only upon a part of the lands of the country, is neceſſarily an unequal, but it is not always an arbitrary tax, though it is ſo upon ſome occaſions. The perſonal taille, as it is intended to be proportioned to the profits of a certain claſs of people, which can only be gueſſed at, is neceſſarily both arbitrary and unequal.

In France the perſonal taille at preſent, (1775,) annually impoſed upon the twenty generalities, called the Countries of Elections, amounts to 40,107,239 livres, 16 ſous *. The proportion in which this ſum is aſſeſſed upon thoſe different provinces, varies from year to year, according to the reports which are made to the king's council concerning the goodneſs or badneſs of the crop, as well as other circumſtances which may either increaſe or diminiſh their reſpective

* Memoires concernant les Droits, &c. tome ii. p. 17.

reſpective abilities to pay. Each generality is divided into a certain number of elections, and the proportion in which the ſum impoſed upon the whole generality is divided among thoſe different elections, varies likewiſe from year to year, according to the reports made to the council concerning their reſpective abilities. It ſeems impoſſible that the council, with the beſt intentions, can ever proportion with tolerable exactneſs, either of thoſe two aſſeſſments to the real abilities of the province or diſtrict upon which they are reſpectively laid. Ignorance and miſinformation muſt always, more or leſs, miſlead the moſt upright council. The proportion which each pariſh ought to ſupport of what is aſſeſſed upon the whole election, and that which each individual ought to ſupport of what is aſſeſſed upon his particular pariſh, are both in the ſame manner varied, from year to year, according as circumſtances are ſuppoſed to require. Theſe circumſtances are judged of, in the one caſe, by the officers of the election; in the other by thoſe of the pariſh; and both the one and the other are, more or leſs, under the direction and influence of the intendant. Not only ignorance and miſinformation, but friendſhip, party animoſity, and private reſentment, are ſaid frequently to miſlead ſuch aſſeſſors. No man ſubject to ſuch a tax, it is evident, can ever be certain, before he is aſſeſſed, of what he is to pay. He cannot even be certain after he is aſſeſſed. If any perſon has been taxed who ought to have been exempted; or if any perſon has been taxed beyond his proportion, though both muſt pay in the mean time, yet if they complain and make good their complaints, the whole pariſh is reimpoſed next year in order to reimburſe them. If any of the contributors become bankrupt or inſolvent, the collector is obliged to advance his tax, and the whole pariſh is reimpoſed next year in order to reimburſe the collector. If the collector himſelf ſhould become bankrupt, the pariſh which elects him muſt anſwer for his conduct to the receiver-general of the election. But, as it might be troubleſome for the receiver

receiver to proſecute the whole pariſh, he takes at his choice five or ſix of the richeſt contributors, and obliges them to make good what had been loſt by the inſolvency of the collector. The pariſh is afterwards reimpoſed in order to reimburſe thoſe five or ſix. Such reimpoſitions are always over and above the taille of the particular year in which they are laid on.

When a tax is impoſed upon the profits of ſtock in a particular branch of trade, the traders are all careful to bring no more goods to market than what they can ſell at a price ſufficient to reimburſe them for advancing the tax. Some of them withdraw a part of their ſtocks from the trade, and the market is more ſparingly ſupplied than before. The price of the goods riſes, and the final payment of the tax falls upon the conſumer. But when a tax is impoſed upon the profits of ſtock employed in agriculture, it is not the intereſt of the farmers to withdraw any part of their ſtock from that employment. Each farmer occupies a certain quantity of land, for which he pays rent. For the proper cultivation of this land a certain quantity of ſtock is neceſſary; and by withdrawing any part of this neceſſary quantity, the farmer is not likely to be more able to pay either the rent or the tax. In order to pay the tax, it can never be his intereſt to diminiſh the quantity of his produce, nor conſequently to ſupply the market more ſparingly than before. The tax, therefore, will never enable him to raiſe the price of his produce, nor to reimburſe himſelf by throwing the final payment upon the conſumer. The farmer, however, muſt have his reaſonable profit as well as every other dealer, otherwiſe he muſt give up the trade. After the impoſition of a tax of this kind, he can get this reaſonable profit only by paying leſs rent to the landlord. The more he is obliged to pay in the way of tax, the leſs he can afford to pay in the way of rent. A tax of this kind impoſed during the currency of a leaſe may, no doubt, diſtreſs or ruin the farmer.

farmer. Upon the renewal of the leaſe it muſt always fall upon the landlord. CHAP. II.

In the countries where the perſonal taille takes place, the farmer is commonly aſſeſſed in proportion to the ſtock which he appears to employ in cultivation. He is, upon this account, frequently afraid to have a good team of horſes or oxen, but endeavours to cultivate with the meaneſt and moſt wretched inſtruments of huſbandry that he can. Such is his diſtruſt in the juſtice of his aſſeſſors, that he counterfeits poverty, and wiſhes to appear ſcarce able to pay any thing for fear of being obliged to pay too much. By this miſerable policy he does not, perhaps, always conſult his own intereſt in the moſt effectual manner; and he probably loſes more by the diminution of his produce than he ſaves by that of his tax. Though, in conſequence of this wretched cultivation the market is, no doubt, ſomewhat worſe ſupplied; yet the ſmall riſe of price which this may occaſion, as it is not likely even to indemnify the farmer for the diminution of his produce, it is ſtill leſs likely to enable him to pay more rent to the landlord. The public, the farmer, the landlord, all ſuffer more or leſs by this degraded cultivation. That the perſonal taille tends, in many different ways, to diſcourage cultivation, and conſequently to dry up the principal ſource of the wealth of every great country, I have already had occaſion to obſerve in the third book of this inquiry.

What are called poll-taxes in the ſouthern provinces of North America, and in the Weſt India iſlands, annual taxes of ſo much a head upon every negro, are properly taxes upon the profits of a certain ſpecies of ſtock employed in agriculture. As the planters are, the greater part of them, both farmers and landlords, the final payment of the tax falls upon them in their quality of landlords without any retribution.

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TAXES of ſo much a head upon the bondmen employed in cultivation, ſeem antiently to have been common all over Europe. There ſubſiſts at preſent a tax of this kind in the empire of Ruſſia. It is probably upon this account that poll-taxes of all kinds have often been repreſented as badges of ſlavery. Every tax, however, is to the perſon who pays it a badge, not of ſlavery, but of liberty. It denotes that he is ſubject to government, indeed, but that, as he has ſome property, he cannot himſelf be the property of a maſter. A poll-tax upon ſlaves is altogether different from a poll-tax upon freemen. The latter is paid by the perſons upon whom it is impoſed; the former by a different ſet of perſons. The latter is either altogether arbitrary or altogether unequal, and in moſt caſes is both the one and the other; the former, though in ſome reſpects unequal, different ſlaves being of different values, is in no reſpect arbitrary. Every maſter who knows the number of his own ſlaves, knows exactly what he has to pay. Thoſe different taxes, however, being called by the ſame name, have been conſidered as of the ſame nature.

TAXES upon the profits of ſtock in particular employments can never affect the intereſt of money. Nobody will lend his money for leſs intereſt to thoſe who exerciſe the taxed, than to thoſe who exerciſe the untaxed employments. Taxes upon the revenue ariſing from ſtock in all employments, where the government attempts to levy them with any degree of exactneſs, will, in many caſes, fall upon the intereſt of money. The Vingtieme or twentieth-penny in France, is a tax of the ſame kind with what is called the land-tax in England, and is aſſeſſed, in the ſame manner, upon the revenue ariſing from land, houſes, and ſtock. So far as it affects ſtock, it is aſſeſſed, though not with great rigour, yet with much more exactneſs than that part of the land-tax of England which is impoſed upon the ſame fund. It, in many caſes, falls altogether upon the inte-

reſt of money. Money is frequently ſunk in France upon what are called Contracts for the conſtitution of a rent, that is, perpetual annuities redeemable at any time by the debtor upon repayment of the ſum originally advanced, but of which this redemption is not exigible by the creditor except in particular caſes. The vingtieme ſeems not to have raiſed the rate of thoſe annuities, though it is exactly levied upon them all.

APPENDIX to ARTICLES I. and II.

Taxes upon the capital Value of Land, Houſes, and Stock.

WHILE property remains in the poſſeſſion of the ſame perſon, whatever permanent taxes may have been impoſed upon it, they have never been intended to diminiſh or take away any part of its capital value, but only ſome part of the revenue ariſing from it. But when property changes hands, when it is tranſmitted either from the dead to the living, or from the living to the living, ſuch taxes have frequently been impoſed upon it as neceſſarily take away ſome part of its capital value.

THE transference of all ſorts of property from the dead to the living, and that of immoveable property, of land and houſes, from the living to the living, are tranſactions which are in their nature either public and notorious, or ſuch as cannot be long concealed. Such tranſactions, therefore, may be taxed directly. The transference of ſtock or immoveable property from the living to the living by the lending of money, is frequently a ſecret tranſaction, and may always be made ſo. It cannot eaſily, therefore, be taxed directly. It has been taxed indirectly in two different ways; firſt, by requiring that the deed, containing the obligation to repay, ſhould be written upon paper or parchment, which had paid a

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certain ſtamp-duty, otherwiſe not to be valid; ſecondly, by requiring, under the like penalty of invalidity, that it ſhould be recorded either in a public or ſecret regiſter, and by impoſing certain duties upon ſuch regiſtration. Stamp-duties and duties of regiſtration have frequently been impoſed likewiſe upon the deeds transferring property of all kinds from the dead to the living, and upon thoſe transferring immoveable property from the living to the living, tranſactions which might eaſily have been taxed directly.

The Viceſima Hereditatum, the twentieth penny of inheritances, impoſed by Auguſtus upon the antient Romans, was a tax upon the transference of property from the dead to the living. Dion Caſſius†, the author who writes concerning it the leaſt indiſtinctly, ſays, that it was impoſed upon all ſucceſſions, legacies and donations, in caſe of death, except upon thoſe to the neareſt relations, and to the poor.

Of the ſame kind is the Dutch tax upon ſucceſſions *. Collateral ſucceſſions are taxed, according to the degree of relation, from five to thirty per cent. upon the whole value of the ſucceſſion. Teſtamentary donations or legacies to collaterals, are ſubject to the like duties. Thoſe from huſband to wife, or from wife to huſband, to the fiftieth penny. The Luctuoſa Hereditas, the mournful ſucceſſion of aſcendents to deſcendents, to the twentieth penny only. Direct ſucceſſions, or thoſe of deſcendents to aſcendents, pay no tax. The death of a father, to ſuch of his children as live in the ſame houſe with him, is ſeldom attended with any increaſe, and frequently with a conſiderable diminution of revenue; by the loſs of his induſtry, of his office, or of ſome life-rent eſtate, of which he may have been in poſſeſſion. That tax would be cruel and oppreſſive which aggravated their loſs by taking from them any part of

† Lib. 55. See alſo Burman de Vectigalibus pop. Rom. cap. xi. and Bouchaud de l' impôt du vingtieme ſur les ſucceſſions.

* Memoires concernant les Droits, &c. tom. i. p. 225.

of his ſucceſſion. It may, however, ſometimes be otherwiſe with thoſe children who, in the language of the Roman law, are ſaid to be emancipated; in that of the Scotch law, to be foris-familiated; that is, who have received their portion, have got families of their own, and are ſupported by funds ſeparate and independent of thoſe of their father. Whatever part of his ſucceſſion might come to ſuch children, would be a real addition to their fortune, and might, therefore, perhaps, without more inconveniency than what attends all duties of this kind, be liable to ſome tax.

THE caſualties of the feudal law were taxes upon the tranſference of land, both from the dead to the living, and from the living to the living. In antient times they conſtituted in every part of Europe one of the principal branches of the revenue of the crown.

THE heir of every immediate vaſſal of the crown paid a certain duty, generally a year's rent, upon receiving the inveſtiture of the eſtate. If the heir was a minor, the whole rents of the eſtate, during the continuance of the minority, devolved to the ſuperior without any other charge, beſides the maintenance of the minor, and the payment of the widow's dower, when there happened to be a dowager, upon the land. When the minor came to be of age, another tax, called Relief, was ſtill due to the ſuperior, which generally amounted likewiſe to a year's rent. A long minority, which in the preſent times ſo frequently diſburdens a great eſtate of all its incumbrances, and reſtores the family to their antient ſplendor, could in thoſe times have no ſuch effect. The waſte, and not the diſincumbrance of the eſtate, was the common effect of a long minority.

BY the feudal law the vaſſal could not alienate without the conſent of his ſuperior, who generally extorted a fine or compoſition for granting it. This fine, which was at firſt arbitrary, came in many countries to be regulated at a certain portion

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of the price of the land. In ſome countries, where the greater part of the other feudal cuſtoms have gone into diſuſe, this tax upon the alienation of land ſtill continues to make a conſiderable branch of the revenue of the ſovereign. In the canton of Berne it is ſo high as a ſixth part of the price of all noble fiefs; and a tenth part of that of all ignoble ones *. In the canton of Lucerne the tax upon the ſale of lands is not univerſal, and takes place only in certain diſtricts. But if any perſon ſells his land, in order to remove out of the territory, he pays ten per cent. upon the whole price of the ſale †. Taxes of the ſame kind upon the ſale either of all lands, or of lands held by certain tenures, take place in many other countries, and make a more or leſs conſiderable branch of the revenue of the ſovereign.

Such tranſactions may be taxed indirectly by means either of ſtamp-duties, or of duties upon regiſtration; and thoſe duties either may or may not be proportioned to the value of the ſubject which is transferred.

In Great Britain the ſtamp-duties are higher or lower, not ſo much according to the value of the property transferred, (an eighteen penny or half crown ſtamp being ſufficient upon a bond for the largeſt ſum of money) as according to the nature of the deed. The higheſt do not exceed ſix pounds upon every ſheet of paper, or ſkin of parchment; and theſe high duties fall chiefly upon grants from the crown, and upon certain law proceedings; without any regard to the value of the ſubject. There are in Great Britain no duties on the regiſtration of deeds or writings, except the fees of the officers, who keep the regiſter; and theſe are ſeldom more than a reaſonable recompence for their labour. The crown derives no revenue from them.

* Memoires concernant les Droits, &c. tom. i. p. 154. † Id. p. 157.

In

In Holland * there are both ſtamp-duties and duties upon regiſtration; which in ſome caſes are, and in ſome are not proportioned to the value of the property transferred. All teſtaments muſt be written upon ſtampt-paper, of which the price is proportioned to the property diſpoſed of, ſo that there are ſtamps which coſt from threepence, or three ſtivers a ſheet, to three hundred florins, equal to about twenty-ſeven pound ten ſhillings of our money. If the ſtamp is of an inferior price to what the teſtator ought to have made uſe of, his ſucceſſion is confiſcated. This is over and above all their other taxes on ſucceſſion. Except bills of exchange, and ſome other mercantile bills, all other deeds, bonds and contracts, are ſubject to a ſtamp-duty. This duty, however, does not riſe in proportion to the value of the ſubject. All ſales of land and of houſes, and all mortgages upon either, muſt be regiſtered, and, upon regiſtration, pay a duty to the ſtate of two and a half per cent. upon the amount of the price or the mortgage. This duty is extended to the ſale of all ſhips and veſſels of more than two tons burthen, whether decked or undecked. Theſe, it ſeems, are conſidered as a ſort of houſes upon the water. The ſale of moveables, when it is ordered by a court of juſtice, is ſubject to the like duty of two and a half per cent.

In France there are both ſtamp-duties and duties upon regiſtration. The former are conſidered as a branch of the aides or exciſe, and in the provinces where thoſe duties take place, are levied by the exciſe officers. The latter are conſidered as a branch of the domaine of the crown, and are levied by a different ſet of officers.

Those modes of taxation, by ſtamp-duties and by duties upon regiſtration, are of very modern invention. In the courſe of little more than a century, however, ſtamp-duties have, in Europe, become almoſt univerſal, and duties upon regiſtration

* Id. tom. i. p. 223, 224, 225.

extremely

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extremely common. There is no art which one government ſooner learns of another than that of draining money from the pockets of the people.

Taxes upon the transference of property from the dead to the living, fall finally as well as immediately upon the perſon to whom the property is transferred. Taxes upon the ſale of land fall altogether upon the ſeller. The ſeller is almoſt always under the neceſſity of ſelling, and muſt, therefore, take ſuch a price as he can get. The buyer is ſcarce ever under the neceſſity of buying, and will, therefore, give only ſuch a price as he likes. He conſiders what the land will coſt him in tax and price together. The more he is obliged to pay in the way of tax, the leſs he will be diſpoſed to give in the way of price. Such taxes, therefore, fall almoſt always upon a neceſſitous perſon, and muſt, therefore, be frequently very cruel and oppreſſive. Taxes upon the ſale of new-built houſes, where the building is ſold without the ground, fall generally upon the buyer, becauſe the builder muſt generally have his profit; otherwiſe he muſt give up the trade. If he advances the tax, therefore, the buyer muſt generally repay it to him. Taxes upon the ſale of old houſes, for the ſame reaſon as thoſe upon the ſale of land, fall generally upon the ſeller; whom in moſt caſes either conveniency or neceſſity obliges to ſell. The number of new built houſes that are annually brought to market, is more or leſs regulated by the demand. Unleſs the demand is ſuch as to afford the builder his profit, after paying all expences, he will build no more houſes. The number of old houſes which happen at any time to come to market is regulated by accidents of which the greater part have no relation to the demand. Two or three great bankruptcies in a mercantile town, will bring many houſes to ſale, which muſt be ſold for what can be got for them. Taxes upon the ſale of ground-rents fall altogether upon the ſeller; for the ſame reaſon as thoſe upon

upon the ſale of land. Stamp duties, and duties upon the regiſtration of bonds and contracts for borrowed money, fall altogether upon the borrower, and, in fact, are always paid by him. Duties of the ſame kind upon law proceedings fall upon the ſuitors. They reduce to both the capital value of the ſubject in diſpute. The more it coſts to acquire any property, the leſs muſt be the value of it when acquired. CHAP. II.

All taxes upon the transference of property of every kind, ſo far as they diminiſh the capital value of that property, tend to diminiſh the funds deſtined for the maintenance of productive labour. They are all more or leſs unthrifty taxes that increaſe the revenue of the ſovereign, which ſeldom maintains any but unproductive labourers, at the expence of the capital of the people which maintains none but productive.

Such taxes, even when they are proportioned to the value of the property transferred, are ſtill unequal; the frequency of tranſference not being always equal in property of equal value. When they are not proportioned to this value, which is the caſe with the greater part of the ſtamp-duties, and duties of regiſtration, they are ſtill more ſo. They are in no reſpect arbitrary, but are or may be in all caſes perfectly clear and certain. Though they ſometimes fall upon the perſon who is not very able to pay; the time of payment is in moſt caſes ſufficiently convenient for him. When the payment becomes due, he muſt in moſt caſes have the money to pay. They are levied at very little expence, and in general ſubject the contributors to no other inconveniency beſides always the unavoidable one of paying the tax.

In France the ſtamp-duties are not much complained of. Thoſe of regiſtration, which they call the Contrôle, are. They give occaſion, it is pretended, to much extortion in the officers of the

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farmers general who collect the tax, which is in a great measure arbitrary and uncertain. In the greater part of the libels which have been written against the present system of finances in France, the abuses of the contrôle make a principal article. Uncertainty, however, does not seem to be necessarily inherent in the nature of such taxes. If the popular complaints are well founded, the abuse must arise, not so much from the nature of the tax, as from the want of precision and distinctness in the words of the edicts or laws which impose it.

The registration of mortgages, and in general of all rights upon immoveable property, as it gives great security both to creditors and purchasers, is extremely advantageous to the public. That of the greater part of deeds of other kinds is frequently inconvenient and even dangerous to individuals, without any advantage to the public. All registers which, it is acknowledged, ought to be kept secret, ought certainly never to exist. The credit of individuals ought certainly never to depend upon so very slender a security as the probity and religion of the inferior officers of revenue. But where the fees of registration have been made a source of revenue to the sovereign, register offices have commonly been multiplied without end, both for the deeds which ought to be registered, and for those which ought not. In France there are several different sorts of secret registers. This abuse, though not perhaps a necessary, it must be acknowledged, is a very natural effect of such taxes.

Such stamp-duties as those in England upon cards and dice, upon news-papers and periodical pamphlets, &c. are properly taxes upon consumption; the final payment falls upon the persons who use or consume such commodities. Such stamp-duties as those upon licences to retail ale, wine and spirituous liquors, though intended perhaps to fall upon the profits of the retailers, are

likewiſe finally paid by the conſumers of thoſe liquors. Such taxes, though called by the ſame name, and levied by the ſame officers and in the ſame manner with the ſtamp-duties above mentioned upon the transference of property, are however of a quite different nature, and fall upon quite different funds.

ARTICLE III.

Taxes upon the Wages of Labour.

THE wages of the inferior claſſes of workmen, I have endeavoured to ſhow in the firſt book, are every where neceſſarily regulated by two different circumſtances; the demand for labour, and the ordinary or average price of proviſions. The demand for labour, according as it happens to be either increaſing, ſtationary, or declining; or to require an increaſing, ſtationary, or declining population, regulates the ſubſiſtence of the labourer, and determines in what degree it ſhall be, either liberal, moderate, or ſcanty. The ordinary or average price of proviſions determines the quantity of money which muſt be paid to the workman in order to enable him, one year with another, to purchaſe this liberal, moderate, or ſcanty ſubſiſtence. While the demand for labour and the price of proviſions, therefore, remain the ſame, a direct tax upon the wages of labour can have no other effect than to raiſe them ſomewhat higher than the tax. Let us ſuppoſe, for example, that in a particular place the demand for labour and the price of proviſions were ſuch as to render ten ſhillings a week the ordinary wages of labour; and that a tax of one-fifth, or four ſhillings in the pound, was impoſed upon wages. If the demand for labour and the price of proviſions remained the ſame, it would ſtill be neceſſary that the labourer ſhould in that place earn ſuch a ſubſiſtence as could be bought only for ten ſhillings a week, or that after

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paying the tax he ſhould have ten ſhillings a week free wages. But in order to leave him ſuch free wages after paying ſuch a tax, the price of labour muſt in that place ſoon riſe, not to twelve ſhillings a week only, but to twelve and ſixpence; that is, in order to enable him to pay a tax of one-fifth, his wages muſt neceſſarily ſoon riſe, not one-fifth part only, but one-fourth. Whatever was the proportion of the tax, the wages of labour muſt in all caſes riſe, not only in that proportion, but in a higher proportion. If the tax, for example, was one-tenth, the wages of labour muſt neceſſarily ſoon riſe, not one-tenth part only, but one-eighth.

A DIRECT tax upon the wages of labour, therefore, though the labourer might perhaps pay it out of his hand, could not properly be ſaid to be even advanced by him; at leaſt if the demand for labour and the average price of proviſions remained the ſame after the tax as before it. In all ſuch caſes, not only the tax, but ſomething more than the tax, would in reality be advanced by the perſon who immediately employed him. The final payment would in different caſes fall upon different perſons. The riſe which ſuch a tax might occaſion in the wages of manufacturing labour would be advanced by the maſter manufacturer, who would both be entitled and obliged to charge it, with a profit, upon the price of his goods. The final payment of this riſe of wages therefore, together with the additional profit of the maſter manufacturer, would fall upon the conſumer. The riſe which ſuch a tax might occaſion in the wages of country labour would be advanced by the farmer, who in order to maintain the ſame number of labourers as before would be obliged to employ a greater capital. In order to get back this greater capital, together with the ordinary profits of ſtock, it would be neceſſary that he ſhould retain a larger portion, or what comes to the ſame thing, the price of a larger portion, of the produce of the land, and conſequently that he

ſhould pay leſs rent to the landlord. The final payment of this riſe of wages, therefore, would in this caſe fall upon the landlord, together with the additional profit of the farmer who had advanced it. In all caſes a direct tax upon the wages of labour muſt, in the long run, occaſion both a greater reduction in the rent of land, and a greater riſe in the price of manufactured goods, than would have followed from the proper aſſeſſment of a ſum equal to the produce of the tax, partly upon the rent of land, and partly upon conſumable commodities.

If direct taxes upon the wages of labour have not always occaſioned a proportionable riſe in thoſe wages, it is becauſe they have generally occaſioned a conſiderable fall in the demand for labour. The declenſion of induſtry, the decreaſe of employment for the poor, the diminution of the annual produce of the land and labour of the country, have generally been the effects of ſuch taxes. In conſequence of them, however, the price of labour muſt always be higher than it otherwiſe would have been in the actual ſtate of the demand: and this enhancement of price, together with the profit of thoſe who advance it, muſt always be finally paid by the landlords and conſumers.

A tax upon the wages of country labour does not raiſe the price of the rude produce of land; for the ſame reaſon that a tax upon the farmers profit does not raiſe that price.

Absurd and deſtructive as ſuch taxes are, however, they take place in many countries. In France that part of the taille which is charged upon the induſtry of workmen and day-labourers in country villages, is properly a tax of this kind. Their wages are computed according to the common rate of the diſtrict in which they reſide, and that they may be as little liable as poſſible to any over-charge, their yearly gains are eſtimated at no more than two hundred

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hundred working days in the year *. The tax of each individual is varied from year to year according to different circumſtances, of which the collector or the commiſſary, whom the intendant appoints to aſſiſt him, are the judges. In Bohemia, in conſequence of the alteration in the ſyſtem of finances which was begun in 1748, a very heavy tax is impoſed upon the induſtry of artificers. They are divided into four claſſes. The higheſt claſs pay a hundred florins a year; which, at two and twenty-pence halfpenny a florin, amounts to 9l. 7s. 6d. The ſecond claſs are taxed at ſeventy; the third at fifty; and the fourth, comprehending artificers in villages and the loweſt claſs of thoſe in towns, at twenty-five florins †.

The recompence of ingenious artiſts and of men of liberal profeſſions, I have endeavoured to ſhow in the firſt book, neceſſarily keeps a certain proportion to the emoluments of inferior trades. A tax upon this recompence, therefore, could have no other effect than to raiſe it ſomewhat higher than in proportion to the tax. If it did not riſe in this manner, the ingenious arts and the liberal profeſſions, being no longer upon a level with other trades, would be ſo much deſerted that they would ſoon return to that level.

The emoluments of offices are not, like thoſe of trades and profeſſions, regulated by the free competition of the market, and do not, therefore, always bear a juſt proportion to what the nature of the employment requires. They are, perhaps in moſt countries, higher than it requires; the perſons who have the adminiſtration of government being generally diſpoſed to reward both themſelves and their immediate dependents rather more than enough. The emoluments of offices, therefore, can in moſt caſes very well

* Id. tom. ii. p. 108. † Id. tom. iii. p. 87.

bear

bear to be taxed. The perſons, beſides, who enjoy public offices, eſpecially the more lucrative, are in all countries the objects of general envy; and a tax upon their emoluments, even though it ſhould be ſomewhat higher than upon any other ſort of revenue, is always a very popular tax. In England, for example, when by the land-tax every other ſort of revenue was ſuppoſed to be aſſeſſed at four ſhillings in the pound, it was very popular to lay a real tax of five ſhillings in the pound upon the ſalaries of offices which exceeded a hundred pounds a year; thoſe of the judges and a few others leſs obnoxious to envy excepted. There are in England no other direct taxes upon the wages of labour.

ARTICLE IV.

Taxes which, it is intended, ſhould fall indifferently upon every different Species of Revenue.

THE taxes which, it is intended, ſhould fall indifferently upon every different ſpecies of revenue, are capitation taxes, and taxes upon conſumable commodities. Theſe muſt be paid indifferently from whatever revenue the contributors may poſſeſs; from the rent of their land, from the profits of their ſtock, or from the wages of their labour.

Capitation Taxes.

CAPITATION taxes, if it is attempted to proportion them to the fortune or revenue of each contributor, become altogether arbitrary. The ſtate of a man's fortune varies from day to day, and without an inquiſition more intolerable than any tax, and renewed at leaſt once every year, can only be gueſſed at. His aſſeſſment, therefore, muſt in moſt caſes depend upon the good or bad humour of his aſſeſſors, and muſt, therefore, be altogether arbitrary and uncertain.

CAPITATION taxes, if they are proportioned, not to the ſuppoſed fortune, but to the rank of each contributor, become altogether unequal; the degrees of fortune being frequently unequal in the ſame degree of rank.

SUCH taxes, therefore, if it is attempted to render them equal, become altogether arbitrary and uncertain; and if it is attempted to render them certain and not arbitrary, became altogether unequal. Let the tax be light or heavy, uncertainty is always a great grievance. In a light tax a conſiderable degree of inequality may be ſupported; in a heavy one it is altogether intolerable.

IN the different poll-taxes which took place in England, during the reign of William III. the contributors were, the greater part of them, aſſeſſed according to the degree of their rank; as dukes, marquiſſes, earls, viſcounts, barons, eſquires, gentlemen, the eldeſt and youngeſt ſons of peers, &c. All ſhopkeepers and tradeſmen worth more than three hundred pounds, that is, the better ſort of them, were ſubject to the ſame aſſeſſment; how great ſoever might be the difference in their fortunes. Their rank was more conſidered than their fortune. Several of thoſe who in the firſt poll-tax were rated according to their ſuppoſed fortune, were afterwards rated according to their rank. Sergeants, attornies, and proctors at law, who in the firſt poll-tax were aſſeſſed at three ſhillings in the pound of their ſuppoſed income, were afterwards aſſeſſed as gentlemen. In the aſſeſſment of a tax, which was not very heavy, a conſiderable degree of inequality had been found leſs inſupportable than any degree of uncertainty.

IN the capitation which has been levied in France without any interruption ſince the beginning of the preſent century, the higheſt orders of people are rated according to their rank by an invariable tariff;

tarif; the lower orders of people, according to what is ſuppoſed to be their fortune, by an aſſeſſment which varies from year to year. The officers of the king's court, the judges and other officers in the ſuperior courts of juſtice, the officers of the troops, &c. are aſſeſſed in the firſt manner. The inferior ranks of people in the provinces are aſſeſſed in the ſecond. In France the great eaſily ſubmit to a conſiderable degree of inequality in a tax which, ſo far as it affects them, is not a very heavy one; but could not brook the arbitrary aſſeſſment of an intendant. The inferior ranks of people muſt, in that country, ſuffer patiently the uſage which their ſuperiors think proper to give them.

In England the different poll-taxes never produced the ſum which had been expected from them, or which, it was ſuppoſed, they might have produced, had they been exactly levied. In France the capitation always produces the ſum expected from it. The mild government of England, when it aſſeſſed the different ranks of people to the poll-tax, contented itſelf with what that aſſeſſment happened to produce; and required no compenſation for the loſs which the ſtate might ſuſtain either by thoſe who could not pay, or by thoſe who would not pay, (for there were many ſuch), and who, by the indulgent execution of the law, were not forced to pay. The more ſevere government of France aſſeſſes upon each generality a certain ſum, which the intendant muſt find as he can. If any province complains of being aſſeſſed too high, it may, in the aſſeſſment of next year, obtain an abatement proportioned to the over-charge of the year before: But it muſt pay in the meantime. The intendant, in order to be ſure of finding the ſum aſſeſſed upon his generality, was impowered to aſſeſs it in a larger ſum, that the failure or inability of ſome of the contributors might be compenſated by the over-charge of the reſt; and till 1765, the fixation of this ſurplus aſſeſſment, was left altogether

to his diſcretion. In that year indeed the council aſſumed this power to itſelf. In the capitation of the provinces, it is obſerved by the perfectly-well informed author of the Memoirs upon the impoſitions in France, the portion which falls upon the nobility, and upon thoſe whoſe privileges exempt them from the taille, is the leaſt conſiderable. The largeſt falls upon thoſe ſubject to the taille, who are aſſeſſed to the capitation at ſo much a pound of what they pay to that other tax.

CAPITATION taxes, ſo far as they are levied upon the lower ranks of people, are direct taxes upon the wages of labour, and are attended with all the inconveniencies of ſuch taxes.

CAPITATION taxes are levied at little expence; and, where they are rigorouſly exacted, afford a very ſure revenue to the ſtate. It is upon this account that in countries where the eaſe, comfort, and ſecurity of the inferior ranks of people are little attended to, capitation taxes are very common. It is in general, however, but a ſmall part of the public revenue, which, in a great empire, has ever been drawn from ſuch taxes; and the greateſt ſum which they have ever afforded, might always have been found in ſome other way much more convenient to the people.

Taxes upon conſumable Commodities.

THE impoſſibility of taxing the people, in proportion to their revenue, by any capitation, ſeems to have given occaſion to the invention of taxes upon conſumable commodities. The ſtate not knowing how to tax directly and proportionably the revenue of its ſubjects, endeavours to tax it indirectly by taxing their expence, which, it is ſuppoſed, will in moſt caſes be nearly in proportion to their revenue.

revenue. Their expence is taxed by taxing the conſumable commodities upon which it is laid out. CHAP. II.

CONSUMABLE commodities are either neceſſaries or luxuries.

BY neceſſaries I underſtand, not only the commodities which are indiſpenſibly neceſſary for the ſupport of life, but whatever the cuſtom of the country renders it indecent for creditable people, even of the loweſt order, to be without. A linen ſhirt, for example, is, ſtrictly ſpeaking, not a neceſſary of life. The Greeks and Romans lived, I ſuppoſe, very comfortably, though they had no linen. But in the preſent times, through the greater part of Europe, a creditable day-labourer would be aſhamed to appear in public without a linen ſhirt, the want of which would be ſuppoſed to denote that diſgraceful degree of poverty, which, it is preſumed, no body can well fall into without extreme bad conduct. Cuſtom, in the ſame manner, has rendered leather ſhoes a neceſſary of life in England. The pooreſt creditable perſon of either ſex would be aſhamed to appear in public without them. In Scotland, cuſtom has rendered them a neceſſary of life to the loweſt order of men; but not to the ſame order of women, who may, without any diſcredit, walk about bare-footed. In France, they are neceſſaries neither to men nor to women; the loweſt rank of both ſexes appearing there publicly, without any diſcredit, ſometimes in wooden ſhoes, and ſometimes bare-footed. Under neceſſaries, therefore, I comprehend, not only thoſe things which nature, but thoſe things which the eſtabliſhed rules of decency have rendered neceſſary to the loweſt rank of people. All other things, I call luxuries; without meaning by this appellation, to throw the ſmalleſt degree of reproach upon the temperate uſe of them. Beer and ale, for example, in Great Britain, and wine, even in the wine countries, I call luxuries. A man of any rank may, without

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any reproach, abſtain totally from taſting ſuch liquors. Nature does not render them neceſſary for the ſupport of life; and cuſtom no where renders it indecent to live without them.

As the wages of labour are every where regulated partly by the demand for it, and partly by the average price of the neceſſary articles of ſubſiſtence; whatever raiſes this average price muſt neceſſarily raiſe thoſe wages, ſo that the labourer may ſtill be able to purchaſe that quantity of thoſe neceſſary articles which the ſtate of the demand for labour, whether increaſing, ſtationary, or declining, requires that he ſhould have †. A tax upon thoſe articles neceſſarily raiſes their price ſomewhat higher than the amount of the tax, becauſe the dealer, who advances the tax, muſt generally get it back with a profit. Such a tax muſt, therefore, occaſion a riſe in the wages of labour proportionable to this riſe of price.

It is thus that a tax upon the neceſſaries of life, operates exactly in the ſame manner as a direct tax upon the wages of labour. The labourer, though he may pay it out of his hand; cannot, for any conſiderable time at leaſt, be properly ſaid even to advance it. It muſt always in the long-run be advanced to him by his immediate employer in the advanced rate of his wages. His employer, if he is a manufacturer, will charge upon the price of his goods this riſe of wages, together with a profit; ſo that the final payment of the tax, together with this over-charge, will fall upon the conſumer. If his employer is a farmer, the final payment, together with a like over-charge, will fall upon the rent of the landlord.

It is otherwiſe with taxes upon what I call luxuries; even upon thoſe of the poor. The riſe in the price of the taxed commodities,

† See Book I. Cap. 8.

will not neceſſarily occaſion any riſe in the wages of labour. A tax upon tobacco, for example, though a luxury of the poor as well as of the rich, will not raiſe wages. Though it is taxed in England at three times, and in France at fifteen times its original price, thoſe high duties ſeem to have no effect upon the wages of labour. The ſame thing may be ſaid of the taxes upon tea and ſugar; which in England and Holland have become luxuries of the loweſt ranks of people; and of thoſe upon chocolate, which in Spain is ſaid to have become ſo. The different taxes which in Great Britain have in the courſe of the preſent century been impoſed upon ſpirituous liquors, are not ſuppoſed to have had any effect upon the wages of labour. The riſe in the price of porter, occaſioned by an additional tax of three ſhillings upon the barrel of ſtrong beer, has not raiſed the wages of common labour in London. Theſe were about eighteen-pence and twenty-pence a day before the tax, and they are not more now.

The high price of ſuch commodities does not neceſſarily diminiſh the ability of the inferior ranks of people to bring up families. Upon the ſober and induſtrious poor, taxes upon ſuch commodities act as ſumptuary laws, and diſpoſe them either to moderate, or to refrain altogether from the uſe of ſuperfluities which they can no longer eaſily afford. Their ability to bring up families, in conſequence of this forced frugality, inſtead of being diminiſhed, is frequently, perhaps, increaſed by the tax. It is the ſober and induſtrious poor who generally bring up the moſt numerous families, and who principally ſupply the demand for uſeful labour. All the poor indeed are not ſober and induſtrious, and the diſſolute and diſorderly might continue to indulge themſelves in the uſe of ſuch commodities after this riſe of price in the ſame manner as before; without regarding the diſtreſs which this indulgence might bring upon their families. Such diſorderly perſons,

ſons, however, ſeldom rear up numerous families; their children generally periſhing from neglect, miſmanagement, and the ſcantineſs or unwholeſomeneſs of their food. If by the ſtrength of their conſtitution they ſurvive the hardſhips to which the bad conduct of their parents expoſes them; yet the example of that bad conduct commonly corrupts their morals; ſo that, inſtead of being uſeful to ſociety by their induſtry, they become public nuiſances by their vices and diſorders. Though the advanced price of the luxuries of the poor, therefore, might increaſe ſomewhat the diſtreſs of ſuch diſorderly families, and thereby diminiſh ſomewhat their ability to bring up children; it would not probably diminiſh much the uſeful population of the country.

Any riſe in the average price of neceſſaries, unleſs it is compenſated by a proportionable riſe in the wages of labour, muſt neceſſarily diminiſh more or leſs the ability of the poor to bring up numerous families, and conſequently to ſupply the demand for uſeful labour; whatever may be the ſtate of that demand, whether increaſing, ſtationary, or declining; or ſuch as requires an increaſing, ſtationary, or declining, population.

Taxes upon luxuries have no tendency to raiſe the price of any other commodities except that of the commodities taxed. Taxes upon neceſſaries, by raiſing the wages of labour, neceſſarily tend to raiſe the price of all manufactures, and conſequently to diminiſh the extent of their ſale and conſumption. Taxes upon luxuries are finally paid by the conſumers of the commodities taxed, without any retribution. They fall indifferently upon every ſpecies of revenue, the wages of labour, the profits of ſtock, and the rent of land. Taxes upon neceſſaries, ſo far as they affect the labouring poor, are finally paid, partly by landlords in the diminiſhed rent of their lands, and partly by rich conſumers, whether

landlords

landlords or others, in the advanced price of manufactured goods; and always with a conſiderable over-charge. The advanced price of ſuch manufactures as are real neceſſaries of life, and are deſtined for the conſumption of the poor, of coarſe woollens, for example, muſt be compenſated to the poor by a farther advancement of their wages. The middling and ſuperior ranks of people, if they underſtood their own intereſt, ought always to oppoſe all taxes upon the neceſſaries of life, as well as all direct taxes upon the wages of labour. The final payment of both the one and the other falls altogether upon themſelves, and always with a conſiderable overcharge. They fall heavieſt upon the landlords, who always pay in a double capacity; in that of landlords, by the reduction of their rent; and in that of rich conſumers, by the increaſe of their expence. The obſervation of Sir Mathew Decker, that certain taxes are in the price of certain goods ſometimes repeated and accumulated four or five times, is perfectly juſt with regard to taxes upon the neceſſaries of life. In the price of leather, for example, you muſt pay, not only for the tax upon the leather of your own ſhoes, but for a part of that upon thoſe of the ſhoe-maker and the tanner. You muſt pay too for the tax upon the ſalt, upon the ſoap, and upon the candles which thoſe workmen conſume while employed in your ſervice, and for the tax upon the leather, which the ſalt-maker, the ſoap-maker, and the candle-maker conſume while employed in their ſervice.

In Great Britain, the principal taxes upon the neceſſaries of life are thoſe upon the four commodities juſt now mentioned, ſalt, leather, ſoap, and candles.

Salt is a very antient and a very univerſal ſubject of taxation. It was taxed among the Romans, and it is ſo at preſent in, I believe, every part of Europe. The quantity annually conſumed by any

any individual is ſo ſmall, and may be purchaſed ſo gradually, that nobody, it ſeems to have been thought, could feel very ſenſibly even a pretty heavy tax upon it. It is in England taxed at three ſhillings a buſhel; about three times the original price of the commodity. In ſome other countries the tax is ſtill higher. Leather is a real neceſſary of life. The uſe of linen renders ſoap ſuch. In countries where the winter nights are long, candles are a neceſſary inſtrument of trade. Leather and ſoap are in Great Britain taxed at three halfpence a pound; candles at a penny; taxes which, upon the original price of leather may amount to about eight or ten per cent; upon that of ſoap to about twenty or five and twenty per cent; and upon that of candles to about fourteen or fifteen per cent; taxes which, though lighter than that upon ſalt, are ſtill very heavy. As all thoſe four commodities are real neceſſaries of life, ſuch heavy taxes upon them muſt increaſe ſomewhat the expence of the ſober and induſtrious poor, and muſt conſequently raiſe more or leſs the wages of their labour.

In a country where the winters are ſo cold as in Great Britain, fuel is, during that ſeaſon, in the ſtricteſt ſenſe of the word, a neceſſary of life, not only for the purpoſe of dreſſing victuals, but for the comfortable ſubſiſtence of many different ſorts of workmen who work within doors; and coals are the cheapeſt of all fuel. The price of fuel has ſo important an influence upon that of labour, that all over Great Britain manufactures have confined themſelves principally to the coal countries; other parts of the country, on account of the high price of this neceſſary article, not being able to work ſo cheap. In ſome manufactures, beſides, coal is a neceſſary inſtrument of trade; as in thoſe of glaſs, iron, and all other metals. If a bounty could in any caſe be reaſonable, it might perhaps be ſo upon the tranſportation of coals from thoſe parts of the country in which they abound, to thoſe in which they are wanted.

But

But the legiſlature, inſtead of a bounty, has impoſed a tax of three ſhillings and three-pence a ton upon coal carried coaſtways; which upon moſt ſorts of coal is more than ſixty per cent. of the original price at the coal-pit. Coals carried either by land or by inland navigation pay no duty. Where they are naturally cheap, they are conſumed duty free: Where they are naturally dear, they are loaded with a heavy duty.

Such taxes, though they raiſe the price of ſubſiſtence, and conſequently the wages of labour, yet they afford a conſiderable revenue to government, which it might not be eaſy to find in any other way. There may, therefore, be good reaſons for continuing them. The bounty upon the exportation of corn, ſo far as it tends in the actual ſtate of tillage to raiſe the price of that neceſſary article, produces all the like bad effects; and inſtead of affording any revenue, frequently occaſions a very great expence to government. The high duties upon the importation of foreign corn, which in years of moderate plenty amount to a prohibition; and the abſolute prohibition of the importation either of live cattle or of ſalt proviſions, which takes place in the ordinary ſtate of the law, and which on account of the ſcarcity is at preſent ſuſpended for a limited time with regard to Ireland and the Britiſh plantations, have all the bad effects of taxes upon the neceſſaries of life, and produce no revenue to government. Nothing ſeems neceſſary for the repeal of ſuch regulations, but to convince the public of the futility of that ſyſtem in conſequence of which they have been eſtabliſhed.

Taxes upon the neceſſaries of life are much higher in many other countries than in Great Britain. Duties upon flour and meal when ground at the mill, and upon bread when baked at the oven, take place in many countries. In Holland the money price of the bread conſumed in towns is ſuppoſed to be doubled by means of

ſuch taxes. In lieu of a part of them, the people who live in the country pay every year ſo much a head, according to the ſort of bread they are ſuppoſed to conſume. Thoſe who conſume wheaten bread, pay three gilders fifteen ſtivers; about ſix ſhillings and nine-pence halfpenny. Theſe, and ſome other taxes of the ſame kind, by raiſing the price of labour, are ſaid to have ruined the greater part of the manufactures of Holland*. Similar taxes, though not quite ſo heavy, take place in the Milaneſe, in the ſtates of Genoa, in the dutchy of Modena, in the dutchies of Parma, Placentia, and Guaſtalla, and in the eccleſiaſtical ſtate. A French author † of ſome note has propoſed to reform the finances of his country, by ſubſtituting in the room of the greater part of other taxes this moſt ruinous of all taxes. There is nothing ſo abſurd, ſays Cicero, which has not ſometimes been aſſerted by ſome philoſophers.

TAXES upon butchers meat are ſtill more common than thoſe upon bread. It may indeed be doubted whether butchers meat is any where a neceſſary of life. Grain and other vegetables, with the help of milk, cheeſe, and butter, or oil where butter is not to be had, it is known from experience, can, without any butchers meat, afford the moſt plentiful, the moſt wholeſome, the moſt nouriſhing, and the moſt invigorating diet. Decency no where requires that any man ſhould eat butchers meat, as it in moſt places requires that he ſhould wear a linen ſhirt or a pair of leather ſhoes.

CONSUMABLE commodities, whether neceſſaries or luxuries, may be taxed in two different ways. The conſumer may either pay an annual ſum on account of his uſing or conſuming goods of a certain kind; or the goods may be taxed while they remain in the hands of the dealer, and before they are delivered to the conſumer. The conſumable goods which laſt a conſiderable time before they are conſumed altogether, are moſt properly taxed in the one way.

* Memoires concernant les Droits, &c. p. 210, 211. † Le reformateur.

Thoſe

Thoſe of which the conſumption is either immediate or more ſpeedy, in the other. The coach-tax and plate-tax are examples of the former method of impoſing: The greater part of the other duties of exciſe and cuſtoms, of the latter.

A COACH may, with good management, laſt ten or twelve years. It might be taxed, once for all, before it comes out of the hands of the coach-maker. But it is certainly more convenient for the buyer to pay four pounds a year for the privilege of keeping a coach, than to pay all at once forty or forty-eight pounds additional price to the coach-maker; or a ſum equivalent to what the tax is likely to coſt him during the time he uſes the ſame coach. A ſervice of plate, in the ſame manner, may laſt more than a century. It is certainly eaſier for the conſumer to pay five ſhillings a year for every hundred ounces of plate, near one per cent. of the value, than to redeem this long annuity at five and twenty or thirty years purchaſe, which would enhance the price at leaſt five and twenty or thirty per cent. The different taxes which affect houſes are certainly more conveniently paid by moderate annual payments, than by a heavy tax of equal value upon the firſt building or ſale of the houſe.

IT was the well known propoſal of Sir Mathew Decker that all commodities, even thoſe of which the conſumption is either immediate or very ſpeedy, ſhould be taxed in this manner; the dealer advancing nothing, but the conſumer paying a certain annual ſum for the licence to conſume certain goods. The object of his ſcheme was to promote all the different branches of foreign trade, particularly the carrying trade, by taking away all duties upon importation and exportation, and thereby enabling the merchant to employ his whole capital and credit in the purchaſe of goods and the freight of ſhips, no part of either being diverted towards the

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advancing of taxes. The project, however, of taxing, in this manner, goods of immediate or ſpeedy conſumption, ſeems liable to the four following very important objections. Firſt, the tax would be more unequal, or not ſo well proportioned to the expence and conſumption of the different contributors, as in the way in which it is commonly impoſed. The taxes upon ale, wine, and ſpirituous liquors, which are advanced by the dealers, are finally paid by the different conſumers exactly in proportion to their reſpective conſumption. But if the tax was to be paid by purchaſing a licence to drink thoſe liquors, the ſober would, in proportion to his conſumption, be taxed much more heavily than the drunken conſumer. A family which exerciſed great hoſpitality would be taxed much more lightly than one which entertained fewer gueſts. Secondly, this mode of taxation, by paying for an annual, half-yearly, or quarterly licence to conſume certain goods, would diminiſh very much one of the principal conveniencies of taxes upon goods of ſpeedy conſumption; the piece-meal payment. In the price of three-pence halfpenny, which is at preſent paid for a pot of porter, the different taxes upon malt, hops, and beer, together with the extraordinary profit which the brewer charges for having advanced them, may perhaps amount to about three halfpence. If a workman can conveniently ſpare thoſe three halfpence, he buys a pot of porter. If he cannot, he contents himſelf with a pint, and, as a penny ſaved is a penny got, he thus gains a farthing by his temperance. He pays the tax piece-meal, as he can afford to pay it, and when he can afford to pay it; and every act of payment is perfectly voluntary, and what he can avoid if he chuſes to do ſo. Thirdly, ſuch taxes would operate leſs as ſumptuary laws. When the licence was once purchaſed, whether the purchaſer drunk much or drunk little, his tax would be the ſame. Fourthly, if a workman was to pay all at once, by yearly, half-yearly, or quarterly payments, a tax equal to what he at preſent pays, with little or no inconveniency, upon all the different

rent pots and pints of porter which he drinks in any ſuch period of time, the ſum might frequently diſtreſs him very much. This mode of taxation, therefore, it ſeems evident, could never, without the moſt grievous oppreſſion, produce a revenue nearly equal to what is derived from the preſent mode without any oppreſſion. In ſeveral countries, however, commodities of an immediate or very ſpeedy conſumption are taxed in this manner. In Holland, people pay ſo much a head for a licence to drink tea. I have already mentioned a tax upon bread, which, ſo far as it is conſumed in farm-houſes and country villages, is there levied in the ſame manner.

The duties of exciſe are impoſed chiefly upon goods of home produce deſtined for home conſumption. They are impoſed only upon a few ſorts of goods of the moſt general uſe. There can never be any doubt either concerning the goods which are ſubject to thoſe duties, or concerning the particular duty which each ſpecies of goods is ſubject to. They fall almoſt altogether upon what I call luxuries, excepting always the four duties above-mentioned, upon ſalt, ſoap, leather, candles, and, perhaps, that upon green glaſs.

The duties of cuſtoms are much more antient than thoſe of exciſe. They ſeem to have been called cuſtoms, as denoting cuſtomary payments which had been in uſe from time immemorial. They appear to have been originally conſidered as taxes upon the profits of merchants. During the barbarous times of feudal anarchy, merchants, like all the other inhabitants of burghs, were conſidered as little better than emancipated bondmen, whoſe perſons were deſpiſed, and whoſe gains were envied. The great nobility, who had conſented that the king ſhould tallage the profits of their own tenants, were not unwilling that he ſhould tallage likewiſe thoſe of an order of men whom it was much leſs their intereſt to protect.

protect. In thoſe ignorant times it was not underſtood that the profits of merchants are a ſubject not taxable directly; or that the final payment of all ſuch taxes muſt fall, with a conſiderable overcharge, upon the conſumers.

The gains of alien merchants were looked upon more unfavourably than thoſe of Engliſh merchants. It was natural, therefore, that thoſe of the former ſhould be taxed more heavily than thoſe of the latter. This diſtinction between the duties upon aliens and thoſe upon Engliſh merchants, which was begun from ignorance, has been continued from the ſpirit of monopoly, or in order to give our own merchants an advantage both in the home and in the foreign market.

With this diſtinction the antient duties of cuſtoms were impoſed equally upon all ſorts of goods, neceſſaries as well as luxuries, goods exported as well as goods imported. Why ſhould the dealers in one ſort of goods, it ſeems to have been thought, be more favoured than thoſe in another? or why ſhould the merchant exporter be more favoured than the merchant importer?

The antient cuſtoms were divided into three branches. The firſt, and perhaps the moſt antient of all thoſe duties, was that upon wool and leather. It ſeems to have been chiefly or altogether an exportation duty. When the woollen manufacture came to be eſtabliſhed in England, leſt the king ſhould loſe any part of his cuſtoms upon wool by the exportation of woollen cloths, a like duty was impoſed upon them. The other two branches were, firſt, a duty upon wine, which being impoſed at ſo much a ton, was called a tonnage; and, ſecondly, a duty upon all other goods, which being impoſed at ſo much a pound of their ſuppoſed value, was called a poundage. In the forty-ſeventh year of Edward III.

a duty of ſix-pence in the pound was impoſed upon all goods exported and imported, except wools, wool-fells, leather, and wines, which were ſubject to particular duties. In the fourteenth of Richard II. this duty was raiſed to one ſhilling in the pound; but, three years afterwards, it was again reduced to ſix-pence. It was raiſed to eight-pence in the ſecond year of Henry IV.; and in the fourth year of the ſame prince, to one ſhilling. From this time to the ninth year of William III. this duty continued at one ſhilling in the pound. The duties of tonnage and poundage were generally granted to the king by one and the ſame act of parliament, and were called the Subſidy of Tonnage and Poundage. The ſubſidy of poundage having continued for ſo long a time at one ſhilling in the pound, or at five per cent.; a ſubſidy came, in the language of the cuſtoms, to denote a general duty of this kind of five per cent. This ſubſidy, which is now called the Old Subſidy, ſtill continues to be levied according to the book of rates eſtabliſhed in the twelfth of Charles II. The method of aſcertaining, by a book of rates, the value of goods ſubject to this duty, is ſaid to be older than the time of James I. The new ſubſidy impoſed by the ninth and tenth of William III., was an additional five per cent. upon the greater part of goods. The one-third and the two-third ſubſidy made up between them another five per cent. of which they were proportionable parts. The ſubſidy of 1747 made a fourth five per cent. upon the greater part of goods; and that of 1759, a fifth upon ſome particular ſorts of goods. Beſides thoſe five ſubſidies, a great variety of other duties have occaſionally been impoſed upon particular ſorts of goods, in order ſometimes to relieve the exigencies of the ſtate, and ſometimes to regulate the trade of the country, according to the principles of the mercantile ſyſtem.

CHAP. II.

That ſyſtem has come gradually more and more into faſhion. The old ſubſidy was impoſed indifferently upon exportation as well as

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as importation. The four ſubſequent ſubſidies, as well as the other duties which have ſince been occaſionally impoſed upon particular ſorts of goods, have, with a few exceptions, been laid altogether upon importation. The greater part of the antient duties which had been impoſed upon the exportation of the goods of home produce and manufacture, have either been lightened or taken away altogether. In moſt caſes they have been taken away. Bounties have even been given upon the exportation of ſome of them. Drawbacks too, ſometimes of the whole, and, in moſt caſes, of a part of the duties which are paid upon the importation of foreign goods, have been granted upon their exportation. Only half the duties impoſed by the old ſubſidy upon importation are drawn back upon exportation: but the whole of thoſe impoſed by the later ſubſidies and other impoſts are, upon the greater part of goods, drawn back in the ſame manner. This growing favour of exportation, and diſcouragement of importation, have ſuffered only a few exceptions, which chiefly concern the materials of ſome manufactures. Theſe our merchants and manufacturers are willing ſhould come as cheap as poſſible to themſelves, and as dear as poſſible to their rivals and competitors in other countries. Foreign materials are, upon this account, ſometimes allowed to be imported duty free; Spaniſh wool, for example, flax, and raw linen yarn. The exportation of the materials of home produce, and of thoſe which are the peculiar produce of our colonies, has ſometimes been prohibited, and ſometimes ſubjected to higher duties. The exportation of Engliſh wool has been prohibited. That of beaver ſkins, of beaver wool, and of gum Senega, has been ſubjected to higher duties; Great Britain, by the conqueſt of Canada and Senegal, having got almoſt the monopoly of thoſe commodities.

That the mercantile ſyſtem has not been very favourable to the revenue of the great body of the people, to the annual pro-

duce of the land and labour of the country, I have endeavoured to ſhew in the fourth book of this inquiry. It ſeems not to have been more favourable to the revenue of the ſovereign; ſo far at leaſt as that revenue depends upon the duties of cuſtoms.

In conſequence of that ſyſtem, the importation of ſeveral ſorts of goods has been prohibited altogether. This prohibition has in ſome caſes entirely prevented, and in others very much diminiſhed the importation of thoſe commodities, by reducing the importers to the neceſſity of ſmuggling. It has entirely prevented the importation of foreign woollens; and it has very much diminiſhed that of foreign ſilks and velvets. In both caſes it has entirely annihilated the revenue of cuſtoms which might have been levied upon ſuch importation.

The high duties which have been impoſed upon the importation of many different ſorts of foreign goods, in order to diſcourage their conſumption in Great Britain, have in many caſes ſerved only to encourage ſmuggling; and in all caſes have reduced the revenue of the cuſtoms below what more moderate duties would have afforded. The ſaying of Dr. Swift, that in the arithmetic of the cuſtoms two and two, inſtead of making four, make ſometimes only one, holds perfectly true with regard to ſuch heavy duties, which never could have been impoſed had not the mercantile ſyſtem taught us in many caſes to employ taxation as an inſtrument, not of revenue, but of monopoly.

The bounties which are ſometimes given upon the exportation of home produce and manufactures, and the drawbacks which are paid upon the re-exportation of the greater part of foreign goods, have given occaſion to many frauds, and to a ſpecies of ſmuggling more deſtructive of the public revenue than

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any other. In order to obtain the bounty or drawback, the goods, it is well known, are ſometimes ſhipped and ſent to ſea; but ſoon afterwards clandeſtinely re-landed in ſome other part of the country. The defalcation of the revenue of cuſtoms occaſioned by bounties and drawbacks, of which a great part are obtained fraudulently, is very great. The groſs produce of the cuſtoms in the year which ended on the 5th of January, 1755, amounted to 5,068,000l. The bounties which were paid out of this revenue, though in that year there was no bounty upon corn, amounted to 167,800 l. The drawbacks which were paid upon debentures and certificates to 2,156,800 l. Bounties and drawbacks together amounted to 2,324,600 l. In conſequence of theſe deductions the revenue of the cuſtoms amounted only to 2,743,400 l. : from which deducting 287,900 l. for the expence of management in ſalaries and other incidents, the neat revenue of the cuſtoms for that year comes out to be 2,455,500 l. The expence of management amounts, in this manner, to between five and ſix per cent. upon the groſs revenue of the cuſtoms, and to ſomething more than ten per cent. upon what remains of that revenue, after deducting what is paid away in bounties and drawbacks.

HEAVY duties being impoſed upon almoſt all goods imported, our merchant importers ſmuggle as much, and make entry of as little as they can. Our merchant exporters, on the contrary, make entry of more than they export; ſometimes out of vanity, and to paſs for great dealers in goods which pay no duty; and ſometimes to gain a bounty or a drawback. Our exports, in conſequence of theſe different frauds, appear upon the cuſtom-houſe books greatly to overbalance our imports; to the unſpeakable comfort of thoſe politicians who meaſure the national proſperity by what they call the balance of trade.

All goods imported, unleſs particularly exempted, and ſuch exemptions are not very numerous, are liable to ſome duties of cuſtoms. If any goods are imported not mentioned in the book of rates, they are taxed at 4 s. 9 d. $\frac{9}{20}$ for every twenty ſhillings value, according to the oath of the importer, that is, nearly at five ſubſidies, or five poundage duties. The book of rates is extremely comprehenſive, and enumerates a great variety of articles, many of them little uſed, and therefore not well known. It is upon this account frequently uncertain under what article a particular ſort of goods ought to be claſſed, and conſequently what duty they ought to pay. Miſtakes with regard to this ſometimes ruin the cuſtom-houſe officer, and frequently occaſion much trouble, expence and vexation to the importer. In point of perſpicuity, preciſion and diſtinctneſs, therefore, the duties of cuſtoms are much inferior to thoſe of exciſe.

In order that the greater part of the members of any ſociety ſhould contribute to the public revenue in proportion to their reſpective expence, it does not ſeem neceſſary that every ſingle article of that expence ſhould be taxed. The revenue which is levied by the duties of exciſe is ſuppoſed to fall as equally upon the contributors as that which is levied by the duties of cuſtoms; and the duties of exciſe are impoſed upon a few articles only of the moſt general uſe and conſumption. It has been the opinion of many people that, by proper management, the duties of cuſtoms might likewiſe, without any loſs to the public revenue, and with great advantage to foreign trade, be confined to a few articles only.

The foreign articles of the moſt general uſe and conſumption in Great Britain, ſeem at preſent to conſiſt chiefly in foreign wines and brandies; in ſome of the productions of America and the Weſt Indies, ſugar, rum, tobacco, cacao-nuts, &c. and in

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ſome of thoſe of the Eaſt Indies, tea, coffee, china-ware, ſpiceries of all kinds, ſeveral ſorts of piece goods, &c. Theſe different articles afford perhaps at preſent the greater part of the revenue which is drawn from the duties of cuſtoms. The taxes which at preſent ſubſiſt upon foreign manufactures, if you except thoſe upon the few contained in the foregoing enumeration, have the greater part of them been impoſed for the purpoſe, not of revenue, but of monopoly, or to give our own merchants an advantage in the home market. By removing all prohibitions, and by ſubjecting all foreign manufactures to ſuch moderate taxes as it was found from experience afforded upon each article the greateſt revenue to the public, our own workmen might ſtill have a conſiderable advantage in the home market, and many articles, ſome of which at preſent afford no revenue to government, and others a very inconſiderable one, might afford a very great one.

HIGH taxes, ſometimes by diminiſhing the conſumption of the taxed commodities, and ſometimes by encouraging ſmuggling, frequently afford a ſmaller revenue to government than what might be drawn from more moderate taxes.

WHEN the diminution of revenue is the effect of the diminution of conſumption, there can be but one remedy, and that is the lowering of the tax.

WHEN the diminution of revenue is the effect of the encouragement given to ſmuggling, it may perhaps be remedied in two ways; either by diminiſhing the temptation to ſmuggle, or by increaſing the difficulty of ſmuggling. The temptation to ſmuggle can be diminiſhed only by the lowering of the tax; and the difficulty of ſmuggling can be increaſed only by eſtabliſhing that ſyſtem of adminiſtration which is moſt proper for preventing it.

THE

The exciſe laws, it appears, I believe, from experience, obſtruct and embarraſs the operations of the ſmuggler much more effectually than thoſe of the cuſtoms. By introducing into the cuſtoms a ſyſtem of adminiſtration as ſimilar to that of the exciſe as the nature of the different duties will admit, the difficulty of ſmuggling might be very much increaſed. This alteration, it has been ſuppoſed by many people, might very eaſily be brought about.

The importer of commodities liable to any duties of cuſtoms, it has been ſaid, might at his option be allowed either to carry them to his own private warehouſe, or to lodge them in a warehouſe provided either at his own expence or at that of the public, but under the key of the cuſtomhouſe officer, and never to be opened but in his preſence. If the merchant carried them to his own private warehouſe, the duties to be immediately paid, and never afterwards to be drawn back; and that warehouſe to be at all times ſubject to the viſit and examination of the cuſtomhouſe officer, in order to aſcertain how far the quantity contained in it correſponded with that for which the duty had been paid. If he carried them to the public warehouſe, no duty to be paid till they were taken out for home conſumption. If taken out for exportation, to be duty-free; proper ſecurity being always given that they ſhould be ſo exported. The dealers in thoſe particular commodities, either by wholeſale or retail, to be at all times ſubject to the viſit and examination of the cuſtomhouſe officer; and to be obliged to juſtify by proper certificates the payment of the duty upon the whole quantity contained in their ſhops or warehouſes. What are called the exciſe duties upon rum imported are at preſent levied in this manner, and the ſame ſyſtem of adminiſtration might perhaps be extended to all duties upon goods imported; provided always, that thoſe duties were, like the duties of exciſe, confined to a few ſorts of goods of the moſt

general uſe and conſumption. If they were extended to almoſt all ſorts of goods, as at preſent, public warehouſes of ſufficient extent could not eaſily be provided, and goods of a very delicate nature, or of which the preſervation required much care and attention, could not ſafely be truſted by the merchant in any warehouſe but his own.

If by ſuch a ſyſtem of adminiſtration ſmuggling to any conſiderable extent could be prevented even under pretty high duties, and if every duty was occaſionally either heightened or lowered according as it was moſt likely, either the one way or the other, to afford the greateſt revenue to the ſtate; taxation being always employed as an inſtrument of revenue and never of monopoly; it ſeems not improbable that a revenue at leaſt equal to the preſent neat revenue of the cuſtoms might be drawn from duties upon the importation of only a few ſorts of goods of the moſt general uſe and conſumption; and that the duties of cuſtoms might thus be brought to the ſame degree of ſimplicity, certainty and preciſion, as thoſe of exciſe. What the revenue at preſent loſes by drawbacks upon the re-exportation of foreign goods which are afterwards re-landed and conſumed at home, would under this ſyſtem be ſaved altogether. If to this ſaving, which would alone be very conſiderable, was added the abolition of all bounties upon the exportation of home-produce, in all caſes in which thoſe bounties were not in reality drawbacks of ſome duties of exciſe which had before been advanced; it cannot well be doubted but that the neat revenue of cuſtoms might after an alteration of this kind be fully equal to what it had ever been before.

If by ſuch a change of ſyſtem the public revenue ſuffered no loſs; the trade and manufactures of the country would certainly gain a very conſiderable advantage. The trade in the commodities

not taxed, by far the greateſt number, would be perfectly free, and might be carried on to and from all parts of the world with every poſſible advantage. Among thoſe commodities would be comprehended all the neceſſaries of life, and all the materials of manufacture. So far as the free importation of the neceſſaries of life reduced their average money price in the home-market, it would reduce the money price of labour, but without reducing in any reſpect its real recompence. The value of money is in proportion to the quantity of the neceſſaries of life which it will purchaſe. That of the neceſſaries of life is altogether independant of the quantity of money which can be had for them. The reduction in the money price of labour would neceſſarily be attended with a proportionable one in that of all home-manufactures, which would thereby gain ſome advantage in all foreign markets. The price of ſome manufactures would be reduced in a ſtill greater proportion by the free importation of the raw materials. If raw ſilk could be imported from China and Indoſtan duty-free, the ſilk manufacturers in England could greatly underſell thoſe of both France and Italy. There would be no occaſion to prohibit the importation of foreign ſilks and velvets. The cheapneſs of their goods would ſecure to our own workmen, not only the poſſeſſion of the home, but a very great command of the foreign market. Even the trade in the commodities taxed would be carried on with much more advantage than at preſent. If thoſe commodities were delivered out of the public warehouſe for foreign exportation, being in this caſe exempted from all taxes, the trade in them would be perfectly free. The carrying trade in all ſorts of goods would under this ſyſtem enjoy every poſſible advantage. If thoſe commodities were delivered out for home-conſumption, the importer not being obliged to advance the tax till he had an opportunity of ſelling his goods either to ſome dealer, or to ſome conſumer, he could always afford to ſell them cheaper than if he had been

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been obliged to advance it at the moment of importation. Under the ſame taxes, the foreign trade of conſumption even in the taxed commodities, might in this manner be carried on with much more advantage than it can at preſent.

It was the object of the famous exciſe ſcheme of Sir Robert Walpole to eſtabliſh, with regard to wine and tobacco, a ſyſtem not very unlike that which is here propoſed. But though the bill which was then brought into parliament, comprehended thoſe two commodities only; it was generally ſuppoſed to be meant as an introduction to a more extenſive ſcheme of the ſame kind. Faction, combined with the intereſt of ſmuggling merchants, raiſed ſo violent, though ſo unjuſt, a clamour againſt that bill, that the miniſter thought proper to drop it; and from a dread of exciting a clamour of the ſame kind, none of his ſucceſſors have dared to reſume the project.

The duties upon foreign luxuries imported for home-conſumption, though they ſometimes fall upon the poor, fall principally upon people of middling or more than middling fortune. Such are, for example, the duties upon foreign wines, upon coffee, chocolate, tea, ſugar, &c.

The duties upon the cheaper luxuries of home-produce deſtined for home-conſumption, fall pretty equally upon people of all ranks in proportion to their reſpective expence. The poor pay the duties upon malt, hops, beer, and ale, upon their own conſumption: The rich, both upon their own conſumption and upon that of their ſervants.

The whole conſumption of the inferior ranks of people, or of thoſe below the middling rank, it muſt be obſerved, is in every country

country much greater, not only in quantity, but in value, than that of the middling and of thoſe above the middling rank. The whole expence of the inferior is much greater than that of the ſuperior ranks. In the firſt place, almoſt the whole capital of every country is annually diſtributed among the inferior ranks of people as the wages of productive labour. Secondly, a great part of the revenue ariſing both from the rent of land and from the profits of ſtock, is annually diſtributed among the ſame rank, in the wages and maintenance of menial ſervants, and other unproductive labourers. Thirdly, ſome part of the profits of ſtock belongs to the ſame rank, as a revenue ariſing from the employment of their ſmall capitals. The amount of the profits annually made by ſmall ſhopkeepers, tradeſmen, and retailers of all kinds, is every where very conſiderable, and makes a very conſiderable portion of the annual produce. Fourthly, and laſtly, ſome part even of the rent of land belongs to the ſame rank; a conſiderable part to thoſe who are ſomewhat below the middling rank, and a ſmall part even to the loweſt rank; common labourers ſometimes poſſeſſing in property an acre or two of land. Though the expence of thoſe inferior ranks of people, therefore, taking them individually, is very ſmall, yet the whole maſs of it, taking them collectively, amounts always to by much the largeſt portion of the whole expence of the ſociety; what remains of the annual produce of the land and labour of the country for the conſumption of the ſuperior ranks being always much leſs, not only in quantity but in value. The taxes upon expence, therefore, which fall chiefly upon that of the ſuperior ranks of people, upon the ſmaller portion of the annual produce, are likely to be much leſs productive than either thoſe which fall indifferently upon the expence of all ranks, or even thoſe which fall chiefly upon that of the inferior ranks; than either thoſe which fall indifferently upon the whole annual produce, or thoſe which fall chiefly upon the larger por-

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tion of it. The exciſe upon the materials and manufacture of home-made fermented and ſpirituous liquors is accordingly, of all the different taxes upon expence, by far the moſt productive; and this branch of the exciſe falls very much, perhaps principally, upon the expence of the common people. In the year which ended on the 5th of July, 1775, the groſs produce of this branch of the exciſe amounted to 3,314,223 l. 18 s. 10¾ d.

It muſt always be remembered, however, that it is the luxurious and not the neceſſary expence of the inferior ranks of people that ought ever to be taxed. The final payment of any tax upon their neceſſary expence would fall altogether upon the ſuperior ranks of people; upon the ſmaller portion of the annual produce, and not upon the greater. Such a tax muſt in all caſes either raiſe the wages of labour, or leſſen the demand for it. It could not raiſe the wages of labour, without throwing the final payment of the tax upon the ſuperior ranks of people. It could not leſſen the demand for labour, without leſſening the annual produce of the land and labour of the country, the fund from which all taxes muſt be finally paid. Whatever might be the ſtate to which a tax of this kind reduced the demand for labour, it muſt always raiſe wages higher than they otherwiſe would be in that ſtate; and the final payment of this enhancement of wages muſt in all caſes fall upon the ſuperior ranks of people.

Fermented liquors brewed and ſpirituous liquors diſtilled, not for ſale, but for private uſe, are not in Great Britain liable to any duties of exciſe. This exemption, of which the object is not to expoſe private families to the odious viſit and examination of the tax-gatherer, occaſions the burden of thoſe duties to fall frequently much lighter upon the rich than upon the poor. It is not, indeed, very common to diſtill for private uſe, though it is

done ſometimes. But in the country, many middling and almoſt all rich and great families brew their own beer. Their ſtrong beer, therefore, coſts them eight ſhillings a barrel leſs than it coſts the common brewer, who muſt have his profit upon the tax, as well as upon all the other expence which he advances. Such families, therefore, muſt drink their beer at leaſt nine or ten ſhillings a barrel cheaper than any liquor of the ſame quality can be drunk by the common people, to whom it is every where more convenient to buy their beer, by little and little, from the brewery or the ale-houſe. Malt, in the ſame manner, that is made for the uſe of a private family, is not liable to the viſit or examination of the tax-gatherer; but in this caſe the family muſt compound at ſeven ſhillings and ſixpence a head for the tax. Seven ſhillings and ſixpence are equal to the exciſe upon ten buſhels of malt; a quantity fully equal to what all the different members of any ſober family, men, women, and children, are at an average likely to conſume. But in rich and great families, where country hoſpitality is much practiſed, the malt liquors conſumed by the members of the family make but a ſmall part of the conſumption of the houſe. Either on account of this compoſition, however, or for other reaſons, it is not near ſo common to malt as to brew for private uſe. It is difficult to imagine any equitable reaſon why thoſe who either brew or diſtill for private uſe, ſhould not be ſubject to a compoſition of the ſame kind.

A GREATER revenue than what is at preſent drawn from all the heavy taxes upon malt, beer, and ale, might be raiſed, it has frequently been ſaid, by a much lighter tax upon malt; the opportunities of defrauding the revenue being much greater in a brewery than in a malt-houſe; and thoſe who brew for private uſe being exempted from all duties or compoſition for duties, which is not the caſe with thoſe who malt for private uſe.

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In the porter brewery of London, a quarter of malt is commonly brewed into more than two barrels and a half, ſometimes into three barrels of porter. The different taxes upon malt amount to ſix ſhillings a quarter; thoſe upon ſtrong beer and ale to eight ſhillings a barrel. In the porter brewery, therefore, the different taxes upon malt, beer, and ale, amount to between twenty-ſix and thirty ſhillings upon the produce of a quarter of malt. In the country brewery for common country ſale, a quarter of malt is ſeldom brewed into leſs than two barrels of ſtrong and one barrel of ſmall beer; frequently into two barrels and a half of ſtrong beer. The different taxes upon ſmall beer amount to one ſhilling and four-pence a barrel. In the country brewery, therefore, the different taxes upon malt, beer, and ale, ſeldom amount to leſs than twenty-three ſhillings and four-pence, frequently to twenty-ſix ſhillings, upon the produce of a quarter of malt. Taking the whole kingdom at an average, therefore, the whole amount of the duties upon malt, beer, and ale, cannot be eſtimated at leſs than twenty-four or twenty-five ſhillings upon the produce of a quarter of malt. But by taking off all the different duties upon beer and ale, and by tripling the malt-tax, or by raiſing it from ſix to eighteen ſhillings upon the quarter of malt, a greater revenue, it is ſaid, might be raiſed by this ſingle tax than what is at preſent drawn from all thoſe heavier taxes.

In

		l.	s.	d.
In 1772,	the old malt tax produced —	722,023	11	11
	The additional — —	356,776	7	9 3/4
In 1773,	the old tax produced —	561,627	3	7 1/2
	The additional — —	278,650	15	3 3/4
In 1774,	the old tax produced —	624,614	17	5 3/4
	The additional — —	310,745	2	8 1/2
In 1775,	the old tax produced — —	657,357	—	8 1/4
	The additional — —	323,785	12	6 1/4
		4)3,835,580	12	— 3/4
	Average of theſe four years —	958,895	3	— 3/16
In 1772,	the country exciſe produced —	1,243,128	5	3
	The London brewery —	408,260	7	2 3/4
In 1773,	the country exciſe ———	1,245,808	3	3
	The London brewery —	405,406	17	10 1/2
In 1774,	the country exciſe — —	1,246,373	14	5 1/2
	The London brewery —	320,601	18	— 1/4
In 1775,	the country exciſe — —	1,214,583	6	1
	The London brewery —	463,670	7	— 1/4
		4)6,547,832	19	2 1/4
	Average of theſe four years ——	1,636,958	4	9 1/4
	To which adding the average malt tax, or	958,895	3	— 3/16
	The whole amount of thoſe different taxes comes out to be — —	2,595,853	7	9 13/16
	But by tripling the malt tax, or by raiſing it from ſix to eighteen ſhillings upon the quarter of malt, that ſingle tax would produce — — — —	2,876,685	9	— 9/16
	A ſum which exceeds the foregoing by —	280,832	1	2 13/16

UNDER

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UNDER the old malt tax, indeed, is comprehended a tax of four ſhillings upon the hogſhead of cyder, and another of ten ſhillings upon the barrel of mum. In 1774, the tax upon cyder produced only 3083 l. 6 s. 8 d. It probably fell ſomewhat ſhort of its uſual amount; all the different taxes upon cyder having that year produced leſs than ordinary. The tax upon mum, though much heavier, is ſtill leſs productive, on account of the ſmaller conſumption of that liquor. But to balance whatever may be the ordinary amount of thoſe two taxes; there is comprehended under what is called The country exciſe, firſt, the old exciſe of ſix ſhillings and eight-pence upon the hogſhead of cyder; ſecondly, a like tax of ſix ſhillings and eight-pence upon the hogſhead of verjuice; thirdly, another of eight ſhillings and nine-pence upon the hogſhead of vinegar; and, laſtly, a fourth tax of eleven-pence upon the gallon of mead or metheglin: The produce of thoſe different taxes will probably much more than counterbalance that of the duties impoſed, by what is called The annual malt tax, upon cyder and mum.

MALT is conſumed not only in the brewery of beer and ale, but in the manufacture of low wines and ſpirits. If the malt tax was to be raiſed to eighteen ſhillings upon the quarter, it might be neceſſary to make ſome abatement in the different exciſes which are impoſed upon thoſe particular ſorts of low wines and ſpirits of which malt makes any part of the materials. In what are called Malt ſpirits, it makes commonly but a third part of the materials; the other two-thirds being either raw barley, or one-third barley and one-third wheat. In the diſtillery of malt ſpirits, both the opportunity, and the temptation to ſmuggle, are much greater than either in a brewery or in a malt-houſe; the opportunity, on account of the ſmaller bulk and greater value of the commodity; and the temptation, on account of the ſuperior height

height of the duties, which amount to 2 s. 6 d. upon the gallon of ſpirits. By increaſing the duties upon malt, and reducing thoſe upon the diſtillery, both the opportunities and the temptation to ſmuggle would be diminiſhed, which might occaſion a ſtill further augmentation of revenue.

It has for ſome time paſt been the policy of Great Britain to diſcourage the conſumption of ſpirituous liquors, on account of their ſuppoſed tendency to ruin the health and to corrupt the morals of the common people. According to this policy, the abatement of the taxes upon the diſtillery ought not to be ſo great as to reduce in any reſpect the price of thoſe liquors. Spirituous liquors might remain as dear as ever; while at the ſame time the wholeſome and invigorating liquors of beer and ale might be conſiderably reduced in their price. The people might thus be in part relieved from one of the burdens of which they at preſent complain the moſt; while at the ſame time the revenue might be conſiderably augmented.

The objections of Doctor Davenant to this alteration in the preſent ſyſtem of exciſe duties, ſeem to be without foundation. Thoſe objections are, that the tax, inſtead of dividing itſelf as at preſent pretty equally upon the profit of the maltſter, upon that of the brewer, and upon that of the retailer, would, ſo far as it affected profit, fall altogether upon that of the maltſter; that the maltſter could not ſo eaſily get back the amount of the tax in the advanced price of his malt, as the brewer and retailer in the advanced price of their liquor; and that ſo heavy a tax upon malt might reduce the rent and profit of barley land.

No tax can ever reduce, for any conſiderable time, the rate of profit in any particular trade, which muſt always keep its level with.

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with other trades in the neighbourhood. The preſent duties upon malt, beer, and ale, do not affect the profits of the dealers in thoſe commodities, who all get back the tax with an additional profit, in the enhanced price of their goods. A tax indeed may render the goods upon which it is impoſed ſo dear as to diminiſh the conſumption of them. But the conſumption of malt is in malt liquors; and a tax of eighteen ſhillings upon the quarter of malt could not well render thoſe liquors dearer than the different taxes, amounting to twenty-four or twenty-five ſhillings, do at preſent. Thoſe liquors, on the contrary, would probably become cheaper, and the conſumption of them would be more likely to increaſe than to diminiſh.

It is not very eaſy to underſtand why it ſhould be more difficult for the maltſter to get back eighteen ſhillings in the advanced price of his malt, than it is at preſent for the brewer to get back twenty-four or twenty-five, ſometimes thirty ſhillings, in that of his liquor. The maltſter, indeed, inſtead of a tax of ſix ſhillings, would be obliged to advance one of eighteen ſhillings upon every quarter of malt. But the brewer is at preſent obliged to advance a tax of twenty-four or twenty-five, ſometimes thirty ſhillings, upon every quarter of malt which he brews. It could not be more inconvenient for the maltſter to advance a lighter tax, than it is at preſent for the brewer to advance a heavier one. The maltſter doth not always keep in his granaries a ſtock of malt which it will require a longer time to diſpoſe of, than the ſtock of beer and ale which the brewer frequently keeps in his cellars. The former, therefore, may frequently get the returns of his money as ſoon as the latter. But whatever inconveniency might ariſe to the maltſter from being obliged to advance a heavier tax, could eaſily be remedied by granting him a few months longer credit than is at preſent commonly given to the brewer.

NOTHING could reduce the rent and profit of barley land which did not reduce the demand for barley. But a change of ſyſtem which reduced the duties upon a quarter of malt brewed into beer and ale from twenty-four and twenty-five ſhillings to eighteen ſhillings, would be more likely to increaſe than diminiſh that demand. The rent and profit of barley land, beſides, muſt always be nearly equal to thoſe of other equally fertile and equally well cultivated land. If they were leſs, ſome part of the barley land would ſoon be turned to ſome other purpoſe; and if they were greater, more land would ſoon be turned to the raiſing of barley. When the ordinary price of any particular produce of land is at what may be called a monopoly price, a tax upon it neceſſarily reduces the rent and profit of the land which grows it. A tax upon the produce of thoſe precious vineyards, of which the wine falls ſo much ſhort of the effectual demand, that its price is always above the natural proportion to that of the produce of other equally fertile and equally well cultivated land, would neceſſarily reduce the rent and profit of thoſe vineyards. The price of the wines, being already the higheſt that could be got for the quantity commonly ſent to market, it could not be raiſed higher without diminiſhing that quantity; and the quantity could not be diminiſhed without ſtill greater loſs, becauſe the lands could not be turned to any other equally valuable produce. The whole weight of the tax, therefore, would fall upon the rent and profit; properly upon the rent of the vineyard. When it has been propoſed to lay any new tax upon ſugar, our ſugar planters have frequently complained that the whole weight of ſuch taxes fell, not upon the conſumer, but upon the producer; they never having been able to raiſe the price of their ſugar after the tax higher than it was before. The price had, it ſeems, before the tax been a monopoly price; and the argument adduced to ſhow that ſugar was an improper ſubject of taxation, demonſtrated perhaps that it was a proper one; the gains of monopoliſts, whenever they can be come at, being cer-

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tainly of all ſubjects the moſt proper. But the ordinary price of barley has never been a monopoly price; and the rent and profit of barley land have never been above their natural proportion to thoſe of other equally fertile and equally well cultivated land. The different taxes which have been impoſed upon malt, beer, and ale, have never lowered the price of barley, have never reduced the rent and profit of barley land. The price of malt to the brewer has conſtantly riſen in proportion to the taxes impoſed upon it; and thoſe taxes, together with the different duties upon beer and ale, have conſtantly either raiſed the price, or what comes to the ſame thing, reduced the quality of thoſe commodities to the conſumer. The final payment of thoſe taxes has fallen conſtantly upon the conſumer, and not upon the producer.

The only people likely to ſuffer by the change of ſyſtem here propoſed, are thoſe who brew for their own private uſe. But the exemption which this ſuperior rank of people at preſent enjoy from very heavy taxes which are paid by the poor labourer and artificer, is ſurely moſt unjuſt and unequal, and ought to be taken away, even though this change was never to take place. It has probably been the intereſt of this ſuperior order of people, however, which has hitherto prevented a change of ſyſtem that could not well fail both to increaſe the revenue and to relieve the people.

Besides ſuch duties as thoſe of cuſtoms and exciſe above-mentioned, there are ſeveral others which affect the price of goods more unequally and more indirectly. Of this kind are the duties which in French are called Peages, which in old Saxon times were called duties of Paſſage, and which ſeem to have been originally eſtabliſhed for the ſame purpoſe as our turnpike tolls or the tolls upon our canals and navigable rivers; for the maintenance of the road or of the navigation. Thoſe duties, when applied to ſuch purpoſes, are

moſt

moſt properly impoſed according to the bulk or weight of the goods. As they were originally local and provincial duties, applicable to local and provincial purpoſes, the adminiſtration of them was in moſt caſes entruſted to the particular town, pariſh, or lordſhip, in which they were levied; ſuch communities being in ſome way or other ſuppoſed to be accountable for the application. The ſovereign, who is altogether unaccountable, has in many countries aſſumed to himſelf the adminiſtration of thoſe duties; and though he has in moſt caſes enhanced very much the duty, he has in many entirely neglected the application. If the turnpike tolls of Great Britain ſhould ever become one of the reſources of government, we may learn, by the example of many other nations, what would probably be the conſequence. Such tolls are no doubt finally paid by the conſumer; but the conſumer is not taxed in proportion to his expence when he pays, not according to the value, but according to the bulk or weight of what he conſumes. When ſuch duties are impoſed, not according to the bulk or weight, but according to the ſuppoſed value of the goods, they become properly a ſort of inland cuſtoms or exciſes, which obſtruct very much the moſt important of all branches of commerce, the interior commerce of the country.

In ſome ſmall ſtates duties ſimilar to thoſe paſſage duties are impoſed upon goods carried acroſs the territory, either by land or by water, from one foreign country to another. Theſe are in ſome countries called tranſit-duties. Some of the little Italian ſtates, which are ſituated upon the Po, and the rivers which run into it, derive ſome revenue from duties of this kind, which are paid altogether by foreigners, and which are perhaps the only duties that one ſtate can impoſe upon the ſubjects of another without obſtructing in any reſpect the induſtry or commerce of its own. The moſt important tranſit-duty in the world is that levied by the king of Denmark upon all merchant ſhips which paſs through the Sound.

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Such taxes upon luxuries as the greater part of the duties of cuſtoms and exciſe, though they fall indifferently upon every different ſpecies of revenue, and are paid finally, or without any retribution, by whoever conſumes the commodities upon which they are impoſed, yet they do not always fall equally or proportionably upon the revenue of every individual. As every man's humour regulates the degree of his conſumption, every man contributes rather according to his humour than in proportion to his revenue; the profuſe contribute more, the parſimonious leſs, than their proper proportion. During the minority of a man of great fortune, he contributes commonly very little by his conſumption towards the ſupport of that ſtate from whoſe protection he derives a great revenue. Thoſe who live in another country contribute nothing by their conſumption towards the ſupport of the government of that country in which is ſituated the ſource of their revenue. If in this latter country there ſhould be no land-tax, nor any conſiderable duty upon the transference either of moveable or of immoveable property, as is the caſe in Ireland, ſuch abſentees may derive a great revenue from the protection of a government to the ſupport of which they do not contribute a ſingle ſhilling. This inequality is likely to be greateſt in a country of which the government is in ſome reſpects ſubordinate and dependent upon that of ſome other. The people who poſſeſs the moſt extenſive property in the dependent, will in this caſe generally chuſe to live in the governing country. Ireland is preciſely in this ſituation, and we cannot therefore wonder that the propoſal of a tax upon abſentees ſhould be ſo very popular in that country. It might perhaps be a little difficult to aſcertain either what ſort, or what degree of abſence ſhould ſubject a man to be taxed as an abſentee, or at what preciſe time the tax ſhould either begin or end. If you except, however, this very peculiar ſituation, any inequality in the contribution of individuals, which can ariſe from ſuch taxes, is much

much more than compenſated by the very circumſtance which occaſions that inequality; the circumſtance that every man's contribution is altogether voluntary; it being altogether in his power either to conſume or not to conſume the commodity taxed. Where ſuch taxes, therefore, are properly aſſeſſed and upon proper commodities, they are paid with leſs grumbling than any other. When they are advanced by the merchant or manufacturer, the conſumer, who finally pays them, ſoon comes to confound them with the price of the commodities, and almoſt forgets that he pays any tax.

Such taxes are or may be perfectly certain, or may be aſſeſſed ſo as to leave no doubt concerning either what ought to be paid, or when it ought to be paid; concerning either the quantity or the time of payment. Whatever uncertainty there may ſometimes be, either in the duties of cuſtoms in Great Britain, or in other duties of the ſame kind in other countries, it cannot ariſe from the nature of thoſe duties, but from the inaccurate or unſkilful manner in which the law that impoſes them is expreſſed.

Taxes upon luxuries generally are, and always may be, paid piece-meal, or in proportion as the contributors have occaſion to purchaſe the goods upon which they are impoſed. In the time and mode of payment they are, or may be, of all taxes the moſt convenient. Upon the whole, ſuch taxes, therefore, are, perhaps, as agreeable to the three firſt of the four general maxims concerning taxation, as any other. They offend in every reſpect againſt the fourth.

Such taxes, in proportion to what they bring into the public treaſury of the ſtate, always take out or keep out of the pockets of the people more than almoſt any other taxes. They ſeem to do this in all the four different ways in which it is poſſible to do it.

First,

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First, the levying of ſuch taxes, even when impoſed in the moſt judicious manner, requires a great number of cuſtom-houſe and exciſe officers, whoſe ſalaries and perquiſites are a real tax upon the people, which brings nothing into the treaſury of the ſtate. This expence, however, it muſt be acknowledged, is more moderate in Great Britain than in moſt other countries. In the year which ended on the fifth of July, 1775, the groſs produce of the different duties, under the management of the commiſſioners of exciſe in England, amounted to 5,479,695l. 7s. 10d. which was levied at an expence of little more than five and a half per cent. From this groſs produce, however, there muſt be deducted what was paid away in bounties and drawbacks upon the exportation of exciſeable goods, which will reduce the neat produce below five millions. The levying of the ſalt duty, an exciſe duty, but under a different management, is much more expenſive. The neat revenue of the cuſtoms does not amount to two millions and a half, which is levied at an expence of more than ten per cent. in the ſalaries of officers, and other incidents. But the perquiſites of cuſtom-houſe officers are every where much greater than their ſalaries; at ſome ports more than double or triple thoſe ſalaries. If the ſalaries of officers, and other incidents, therefore, amount to more than ten per cent. upon the neat revenue of the cuſtoms; the whole expence of levying that revenue may amount, in ſalaries and perquiſites together, to more than twenty or thirty per cent. The officers of exciſe receive few or no perquiſites; and the adminiſtration of that branch of the revenue, being of more recent eſtabliſhment, is in general leſs corrupted than that of the cuſtoms, into which length of time has introduced and authoriſed many abuſes. By charging upon malt the whole revenue which is at preſent levied by the different duties upon malt and malt liquors, a ſaving, it is ſuppoſed, of more than fifty thouſand pounds might be made in the annual expence of the exciſe. By confining the

duties of cuſtoms to a few ſorts of goods, and by levying thoſe duties according to the exciſe laws, a much greater ſaving might probably be made in the annual expence of the cuſtoms.

SECONDLY, ſuch taxes neceſſarily occaſion ſome obſtruction or diſcouragement to certain branches of induſtry. As they always raiſe the price of the commodity taxed, they ſo far diſcourage its conſumption, and conſequently its production. If it is a commodity of home growth or manufacture, leſs labour comes to be employed in raiſing and producing it. If it is a foreign commodity of which the tax increaſes in this manner the price, the commodities of the ſame kind which are made at home may thereby, indeed, gain ſome advantage in the home market, and a greater quantity of domeſtic induſtry may thereby be turned towards preparing them. But though this riſe of price in a foreign commodity may encourage domeſtic induſtry in one particular branch, it neceſſarily diſcourages that induſtry in almoſt every other. The dearer the Birmingham manufacturer buys his foreign wine, the cheaper he neceſſarily ſells that part of his hardware with which, or, what comes to the ſame thing, with the price of which he buys it. That part of his hardware, therefore, becomes of leſs value to him, and he has leſs encouragement to work at it. The dearer the conſumers in one country pay for the ſurplus produce of another, the cheaper they neceſſarily ſell that part of their own ſurplus produce with which, or, what comes to the ſame thing, with the price of which they buy it. That part of their own ſurplus produce becomes of leſs value to them, and they have leſs encouragement no increaſe its quantity. All taxes upon conſumable commodities, therefore, tend to reduce the quantity of productive labour below what it otherwiſe would be, either in preparing the commodities taxed, if they are home commodities; or in preparing thoſe with which they are purchaſed, if they are foreign commodities. Such taxes too always

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always alter, more or leſs, the natural direction of national induſtry, and turn it into a channel always different from, and generally leſs advantageous than that in which it would have run of its own accord.

THIRDLY, the hope of evading ſuch taxes by ſmuggling gives frequent occaſion to forfeitures and other penalties, which entirely ruin the ſmuggler; a perſon who, though no doubt highly blameable for violating the laws of his country, is frequently incapable of violating thoſe of natural juſtice, and would have been, in every reſpect, an excellent citizen, had not the laws of his country made that a crime which nature never meant to be ſo. In thoſe corrupted governments where there is at leaſt a general ſuſpicion of much unneceſſary expence, and great miſapplication of the public revenue, the laws which guard it are little reſpected. Not many people are ſcrupulous about ſmuggling when, without perjury, they can find any eaſy and ſafe opportunity of doing ſo. To pretend to have any ſcruple about buying ſmuggled goods, though a manifeſt encouragement to the violation of the revenue laws, and to the perjury which almoſt always attends it, would in moſt countries be regarded as one of thoſe pedantic pieces of hypocriſy which, inſtead of gaining credit with any body, ſerve only to expoſe the perſon who affects to practiſe them, to the ſuſpicion of being a greater knave than moſt of his neighbours. By this indulgence of the public, the ſmuggler is often encouraged to continue a trade which he is thus taught to conſider as in ſome meaſure innocent; and when the ſeverity of the revenue laws is ready to fall upon him, he is frequently diſpoſed to defend with violence, what he has been accuſtomed to regard as his juſt property. From being at firſt, perhaps, rather imprudent than criminal, he at laſt too often becomes, one of the hardieſt and moſt determined violaters of the laws of ſociety. By the ruin of the ſmug-

gler, his capital, which had before been employed in maintaining productive labour, is abſorbed either in the revenue of the ſtate or in that of the revenue-officer, and is employed in maintaining unproductive, to the diminution of the general capital of the ſociety, and of the uſeful induſtry which it might otherwiſe have maintained.

Fourthly, ſuch taxes, by ſubjecting at leaſt the dealers in the taxed commodities to the frequent viſits and odious examination of the tax gatherers, expoſe them ſometimes, no doubt, to ſome degree of oppreſſion, and always to much trouble and vexation; and though vexation, as has already been ſaid, is not ſtrictly ſpeaking expence, it is certainly equivalent to the expence at which every man would be willing to redeem himſelf from it. The laws of exciſe, though more effectual for the purpoſe for which they were inſtituted, are, in this reſpect, more vexatious than thoſe of the cuſtoms. When a merchant has imported goods ſubject to certain duties of cuſtoms, when he has paid thoſe duties, and lodged the goods in his warehouſe, he is not in moſt caſes liable to any further trouble or vexation from the cuſtom-houſe officer. It is otherwiſe with goods ſubject to duties of exciſe. The dealers have no reſpite from the continual viſits and examination of the exciſe officers. The duties of exciſe are, upon this account, more unpopular than thoſe of the cuſtoms; and ſo are the officers who levy them. Thoſe officers, it is pretended, though in general, perhaps, they do their duty fully as well as thoſe of the cuſtoms; yet, as that duty obliges them to be frequently very troubleſome to ſome of their neighbours, commonly contract a certain hardneſs of character which the others frequently have not. This obſervation, however, may very probably be the meer ſuggeſtion of fraudulent dealers, whoſe ſmuggling is either prevented or detected by their diligence.

The inconveniencies, however, which are, perhaps, in ſome degree inſeparable from taxes upon conſumable commodities, fall as

light upon the people of Great Britain as upon thoſe of any other country of which the government is nearly as expenſive. Our ſtate is not perfect, and might be mended; but it is as good or better than that of moſt of our neighbours.

In conſequence of the notion that duties upon conſumable goods were taxes upon the profits of merchants, thoſe duties have, in ſome countries, been repeated upon every ſucceſſive ſale of the goods. If the profits of the merchant importer or merchant manufacturer were taxed, equality ſeemed to require that thoſe of all the middle buyers, who intervened between either of them and the conſumer, ſhould likewiſe be taxed. The famous Alcavala of Spain ſeems to have been eſtabliſhed upon this principle. It was at firſt a tax of ten per cent. afterwards of fourteen per cent. and is at preſent of only ſix per cent. upon the ſale of every ſort of property, whether moveable or immoveable; and it is repeated every time the property is ſold. * The levying of this tax requires a multitude of revenue officers ſufficient to guard the tranſportation of goods, not only from one province to another, but from one ſhop to another. It ſubjects not only the dealers in ſome ſorts of goods, but thoſe in all ſorts, every farmer, every manufacturer, every merchant and ſhop-keeper, to the continual viſits and examination of the tax gatherers. Through the greater part of a country in which a tax of this kind is eſtabliſhed, nothing can be produced for diſtant ſale. The produce of every part of the country muſt be proportioned to the conſumption of the neighbourhood. It is to the Alcavala, accordingly, that Uſtaritz imputes the ruin of the manufactures of Spain. He might have imputed to it likewiſe the declenſion of agriculture, it being impoſed not only upon manufactures, but upon the rude produce of the land.

In the kingdom of Naples there is a ſimilar tax of three per cent. upon the value of all contracts, and conſequently upon that of

* Memoires concernant les Droits, &c. tom. i. p. 455.

of all contracts of ſale. It is both lighter than the Spaniſh tax, and the greater part of towns and pariſhes are allowed to pay a compoſition in lieu of it. They levy this compoſition in what manner they pleaſe, generally in a way that gives no interruption to the interior commerce of the place. The Neapolitan tax, therefore, is not near ſo ruinous as the Spaniſh one.

The uniform ſyſtem of taxation, which, with a few exceptions of no great conſequence, takes place in all the different parts of the united kingdom of Great Britain, leaves the interior commerce of the country, the inland and coaſting trade, almoſt entirely free. The inland trade is almoſt perfectly free, and the greater part of goods may be carried from one end of the kingdom to the other, without requiring any permit or let-paſs, without being ſubject to queſtion, viſit or examination from the revenue officers. There are a few exceptions, but they are ſuch as can give no interruption to any important branch of the inland commerce of the country. Goods carried coaſtwiſe, indeed, require certificates or coaſt-cockets. If you except coals, however, the reſt are almoſt all duty-free. This freedom of interior commerce, the effect of the uniformity of the ſyſtem of taxation, is perhaps one of the principal cauſes of the proſperity of Great Britain; every great country being neceſſarily the beſt and moſt extenſive market for the greater part of the productions of its own induſtry. If the ſame freedom, in conſequence of the ſame uniformity, could be extended to Ireland and the plantations, both the grandeur of the ſtate and the proſperity of every part of the empire, would probably be ſtill greater than at preſent.

In France, the different revenue laws which take place in the different provinces, require a multitude of revenue officers to ſurround, not only the frontiers of the kingdom, but thoſe of almoſt each particular province, in order either to prevent the

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importation of certain goods, or to ſubject it to the payment of certain duties, to the no ſmall interruption of the interior commerce of the country. Some provinces are allowed to compound for the gabelle or ſalt-tax. Others are exempted from it altogether. Some provinces are exempted from the excluſive ſale of tobacco, which the farmers-general enjoy through the greater part of the kingdom. The aides, which correſpond to the exciſe in England, are very different in different provinces. Some provinces are exempted from them, and pay a compoſition or equivalent. In thoſe in which they take place and are in farm, there are many local duties which do not extend beyond a particular town or diſtrict. The Traites, which correſpond to our cuſtoms, divide the kingdom into three great parts; firſt, the provinces ſubject to the tarif of 1664, which are called the provinces of the five great farms, and under which are comprehended Picardy, Normandy, and the greater part of the interior provinces of the kingdom; ſecondly, the provinces ſubject to the tarif of 1667, which are called the provinces reckoned foreign, and under which are comprehended the greater part of the frontier provinces; and, thirdly, thoſe provinces which are ſaid to be treated as foreign, or which, becauſe they are allowed a free commerce with foreign countries, are in their commerce with the other provinces of France ſubjected to the ſame duties as other foreign countries. Theſe are Alſace, the three biſhopricks of Metz, Toul, and Verdun, and the three cities of Dunkirk, Bayonne, and Marſeilles. Both in the provinces of the five great farms, (called ſo on account of an antient diviſion of the duties of cuſtoms into five great branches, each of which was originally the ſubject of a particular farm, though they are now all united into one) and in thoſe which are ſaid to be reckoned foreign, there are many local duties which do not extend beyond a particular town or diſtrict. There are ſome ſuch even in the

provinces which are ſaid to be treated as foreign, particularly in the city of Marſeilles. It is unneceſſary to obſerve how much both the reſtraints upon the interior commerce of the country, and the number of the revenue officers muſt be multiplied, in order to guard the frontiers of thoſe different provinces and diſtricts, which are ſubject to ſuch different ſyſtems of taxation.

Over and above the general reſtraints ariſing from this complicated ſyſtem of revenue laws, the commerce of wine, after corn perhaps the moſt important production of France, is in the greater part of the provinces ſubject to particular reſtraints ariſing from the favour which has been ſhewn to the vineyards of particular provinces and diſtricts, above thoſe of others. The provinces moſt famous for their wines, it will be found, I believe, are thoſe in which the trade in that article is ſubject to the feweſt reſtraints of this kind. The extenſive market which ſuch provinces enjoy, encourages good management both in the cultivation of their vineyards, and in the ſubſequent preparation of their wines.

Such various and complicated revenue laws are not peculiar to France. The little dutchy of Milan is divided into ſix provinces, in each of which there is a different ſyſtem of taxation with regard to ſeveral different ſorts of conſumable goods. The ſtill ſmaller territories of the duke of Parma are divided into three or four, each of which has, in the ſame manner, a ſyſtem of its own. Under ſuch abſurd management, nothing but the great fertility of the ſoil and happineſs of the climate could preſerve ſuch countries from ſoon relapſing into the loweſt ſtate of poverty and barbariſm.

Taxes upon conſumable commodities may either be levied by an adminiſtration of which the officers are appointed by government,

ment, and are immediately accountable to government, of which the revenue muſt in this caſe vary from year to year, according to the occaſional variations in the produce of the tax; or they may be lett in farm for a rent certain, the farmer being allowed to appoint his own officers, who, though obliged to levy the tax in the manner directed by the law, are under his immediate inſpection, and are immediately accountable to him. The beſt and moſt frugal way of levying a tax can never be by farm. Over and above what is neceſſary for paying the ſtipulated rent, the ſalaries of the officers, and the whole expence of adminiſtration, the farmer muſt always draw from the produce of the tax a certain profit proportioned at leaſt to the advance which he makes, to the riſk which he runs, to the trouble which he is at, and to the knowledge and ſkill which it requires to manage ſo very complicated a concern. Government, by eſtabliſhing an adminiſtration under their own immediate inſpection of the ſame kind with that which the farmer eſtabliſhes, might at leaſt ſave this profit which is almoſt always exorbitant. To farm any conſiderable branch of the public revenue, requires either a great capital or a great credit; circumſtances which would alone reſtrain the competition for ſuch an undertaking to a very ſmall number of people. Of the few who have this capital or credit, a ſtill ſmaller number have the neceſſary knowledge or experience; another circumſtance which reſtrains the competition ſtill further. The very few who are in condition to become competitors find it more for their intereſt to combine together; to become copartners inſtead of competitors, and when the farm is ſet up to auction to offer no rent, but what is much below the real value. In countries where the public revenues are in farm, the farmers are generally the moſt opulent people. Their wealth would alone excite the public indignation, and the vanity which almoſt always accompanies ſuch upſtart fortunes, the fooliſh oſtentation

with

with which they commonly diſplay that wealth, excites that indignation ſtill more.

THE farmers of the public revenue never find the laws too ſevere, which puniſh any attempt to evade the payment of a tax. They have no bowels for the contributors, who are not their ſubjects, and whoſe univerſal bankruptcy, if it ſhould happen the day after their farm is expired, would not much affect their intereſt. In the greateſt exigencies of the ſtate, when the anxiety of the ſovereign for the exact payment of his revenue is neceſſarily the greateſt, they ſeldom fail to complain that without laws more rigorous than thoſe which actually take place, it will be impoſſible for them to pay even the uſual rent. In thoſe moments of public diſtreſs their demands cannot be diſputed. The revenue laws, therefore, become gradually more and more ſevere. The moſt ſanguinary are always to be found in countries where the greater part of the public revenue is in farm. The mildeſt, in countries where it is levied under the immediate inſpection of the ſovereign. Even a bad ſovereign feels more compaſſion for his people than can ever be expected from the farmers of his revenue. He knows that the permanent grandeur of his family depends upon the proſperity of his people, and he will never knowingly ruin that proſperity for the ſake of any momentary intereſt of his own. It is otherwiſe with the farmers of his revenue, whoſe grandeur may frequently be the effect of the ruin, and not of the proſperity of his people.

A TAX is ſometimes, not only farmed for a rent certain, but the farmer has, beſides, the monopoly of the commodity taxed. In France, the taxes upon tobacco and ſalt are levied in this manner. In ſuch caſes the farmer, inſtead of one, levies two exorbitant profits upon the people; the profit of the farmer, and the ſtill more exorbitant one of the monopoliſt. Tobacco being a luxury,

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a luxury, every man is allowed to buy or not to buy as he chuſes. But ſalt being a neceſſary, every man is obliged to buy of the farmer a certain quantity of it; becauſe if he did not buy this quantity of the farmer, he would, it is preſumed, buy it of ſome ſmuggler. The taxes upon both commodities are exorbitant. The temptation to ſmuggle conſequently is to many people irreſiſtable, while at the ſame time the rigour of the law, and the vigilance of the farmer's officers, render the yielding to that temptation almoſt certainly ruinous. The ſmuggling of ſalt and tobacco ſends every year ſeveral hundred people to the gallies, beſides a very conſiderable number whom it ſends to the gibbet. Thoſe taxes levied in this manner yield a very conſiderable revenue to government. In 1767, the farm of tobacco was lett for twenty-two millions five hundred and forty-one thouſand two hundred and ſeventy-eight livres a year. That of ſalt, for thirty-ſix millions four hundred and ninety-two thouſand four hundred and four livres. The farm in both caſes was to commence in 1768, and to laſt for ſix years. Thoſe who conſider the blood of the people as nothing in compariſon with the revenue of the prince, may perhaps approve of this method of levying taxes. Similar taxes and monopolies of ſalt and tobacco, have been eſtabliſhed in many other countries; particularly in the Auſtrian and Pruſſian dominions, and in the greater part of the ſtates of Italy.

In France, the greater part of the actual revenue of the crown is derived from eight different ſources; the taille, the capitation, the two vingtiemes, the gabelles, the aides, the traites, the domaine, and the farm of tobacco. The five laſt are, in the greater part of the provinces, under farm. The three firſt are every where levied by an adminiſtration under the immediate inſpection and direction of government, and it is univerſally acknowledged that in proportion to what they take out of the pockets of the people, they bring more into the treaſury of the prince than the

the other five, of which the adminiſtration is much more waſteful and expenſive.

THE finances of France ſeem, in their preſent ſtate, to admit of three very obvious reformations. Firſt, by aboliſhing the taille and the capitation, and by increaſing the number of vingtiemes, ſo as to produce an additional revenue equal to the amount of thoſe other taxes, the revenue of the crown might be preſerved; the expence of collection might be much diminiſhed; the vexation of the inferior ranks of people, which the taille and capitation occaſion, might be entirely prevented; and the ſuperior ranks might not be more burdened than the greater part of them are at preſent. The vingtieme, I have already obſerved, is a tax very nearly of the ſame kind with what is called the land-tax of England. The burden of the taille, it is acknowledged, falls finally upon the proprietors of land; and as the greater part of the capitation is aſſeſſed upon thoſe who are ſubject to the taille at ſo much a pound of that other tax, the final payment of the greater part of it muſt likewiſe fall upon the ſame order of people. Though the number of the vingtiemes, therefore, was increaſed ſo as to produce an additional revenue equal to the amount of both thoſe taxes, the ſuperior ranks of people might not be more burdened than they are at preſent. Many individuals no doubt would; on account of the great inequalities with which the taille is commonly aſſeſſed upon the eſtates and tenants of different individuals. The intereſt and oppoſition of ſuch favoured ſubjects are the obſtacles moſt likely to prevent this or any other reformation of the ſame kind. Secondly, by rendering the gabelle, the aides, the taxes upon tobacco, all their different cuſtoms and exciſes uniform in all the different parts of the kingdom, thoſe taxes might be levied at much leſs expence, and the interior commerce of the kingdom might be rendered as free as that of England. Thirdly, and laſtly,

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by ſubjecting all thoſe taxes to an adminiſtration under the immediate inſpection and direction of government, the exorbitant profits of the farmers general might be added to the revenue of the ſtate. The oppoſition ariſing from the private intereſt of individuals, is likely to be as effectual for preventing the two laſt as the firſt mentioned ſcheme of reformation.

THE French ſyſtem of taxation ſeems, in every reſpect, inferior to the Britiſh. In Great Britain ten millions ſterling are annually levied upon leſs than eight millions of people, without its being poſſible to ſay that any particular order is oppreſſed. From the collections of the abbè Expilly, and the obſervations of the author of the Eſſay upon the legiſlation and commerce of corn, it appears probable that France, including the provinces of Lorraine and Bar, contains about twenty-three or twenty-four millions of people; three times the number perhaps contained in great Britain. The ſoil and climate of France are better than thoſe of Great Britain. The country has been much longer in a ſtate of improvement and cultivation, and is, upon that account, better ſtocked with all thoſe things which it requires a long time to raiſe up and accumulate, ſuch as great towns, and convenient and well-built houſes, both in town and country. With theſe advantages it might be expected that in France a revenue of thirty millions might be levied for the ſupport of the ſtate, with as little inconveniency as a revenue of ten millions is in Great Britain. In 1765 and 1766, the whole revenue paid into the treaſury of France, according to the beſt, though, I acknowledge, very imperfect accounts which I could get of it, uſually run between 308 and 325 millions of livres; that is, it did not amount to fifteen millions ſterling; not the half of what might have been expected, had the people contributed in the ſame proportion to their numbers as the people of Great Britain. The people of France, however, it is generally acknowledged, are much more oppreſſed

oppreſſed by taxes than the people of Great Britain. France, however, is certainly the great empire in Europe which, after that of Great Britain, enjoys the mildeſt and moſt indulgent government.

In Holland the heavy taxes upon the neceſſaries of life have ruined, it is ſaid, their principal manufactures, and are likely to diſcourage gradually even their fiſheries and their trade in ſhip building. The taxes upon the neceſſaries of life are inconſiderable in Great Britain, and no manufacture has hitherto been ruined by them. The Britiſh taxes which bear hardeſt on manufactures are ſome duties upon the importation of raw materials, particularly upon that of raw ſilk. The revenue of the ſtates general and of the different cities, however, is ſaid to amount to more than five millions two hundred and fifty thouſand pounds ſterling; and as the inhabitants of the United Provinces cannot well be ſuppoſed to amount to more than a third part of thoſe of Great Britain, they muſt, in proportion to their number, be much more heavily taxed.

After all the proper ſubjects of taxation have been exhauſted, if the exigencies of the ſtate ſtill continue to require new taxes, they muſt be impoſed upon improper ones. The taxes upon the neceſſaries of life, therefore, may be no impeachment of the wiſdom of that republic, which, in order to acquire and to maintain its independency, has, in ſpite of its great frugality, been involved in ſuch expenſive wars as have obliged it to contract great debt. The ſingular countries of Holland and Zealand, beſides, require a conſiderable expence even to preſerve their exiſtence, or to prevent their being ſwallowed up by the ſea, which muſt have contributed to increaſe conſiderably the load of taxes in thoſe two provinces. The republican form of government ſeems to be the principal ſupport of the preſent grandeur of Holland. The owners of great capitals, the great mercantile families, have generally either ſome

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direct ſhare, or ſome indirect influence in the adminiſtration of that government. For the ſake of the reſpect and authority which they derive from this ſituation, they are willing to live in a country where their capital, if they employ it themſelves, will bring them leſs profit, and if they lend it to another, leſs intereſt; and where the very moderate revenue which they can draw from it will purchaſe leſs of the neceſſaries and conveniencies of life than in any other part of Europe. The reſidence of ſuch wealthy people neceſſarily keeps alive, in ſpite of all diſadvantages, a certain degree of induſtry in the country. Any public calamity which ſhould deſtroy the republican form of government, which ſhould throw the whole adminiſtration into the hands of nobles and of ſoldiers, which ſhould annihilate altogether the importance of thoſe wealthy merchants, would ſoon render it diſagreeable to them to live in a country where they were no longer likely to be much reſpected. They would remove both their reſidence and their capital to ſome other country, and the induſtry and commerce of Holland would ſoon follow the capitals which ſupported them.

CHAP. III.

Of publick Debts.

IN that rude ſtate of ſociety which precedes the extenſion of commerce and the improvement of manufactures, when thoſe expenſive luxuries which commerce and manufactures can alone introduce, are altogether unknown, the perſon who poſſeſſes a large revenue, I have endeavoured to ſhow in the third book of this inquiry, can ſpend or enjoy that revenue in no other way than by maintaining nearly as many people as it can maintain. A large revenue may at all times be ſaid to conſiſt in the command of a large quantity of the neceſſaries of life. In that rude ſtate of things it is commonly paid in a large quantity of thoſe neceſſaries, in the materials of plain food and coarſe cloathing, in corn and cattle, in wool and raw hides. When neither commerce, nor manufactures furniſh any thing for which the owner can exchange the greater part of thoſe materials which are over and above his own conſumption, he can do nothing with the ſurplus but feed and cloathe nearly as many people as it will feed and cloathe. A hoſpitality in which there is no luxury, and a liberality in which there is no oſtentation, occaſion, in this ſituation of things, the principal expences of the rich and the great. But theſe, I have likewiſe endeavoured to ſhow in the ſame book, are expences by which people are not very apt to ruin themſelves. There is not perhaps any ſelfiſh pleaſure ſo frivolous, of which the purſuit has not ſometimes ruined even ſenſible men. A paſſion for cock-fighting has ruined many. Bu the inſtances, I believe, are not very numerous of people who have been ruined by a hoſpitality or liberality of this kind; though the hoſpitality of luxury and the liberality of oſtentation have ruined many. Among our feudal anceſtors, the long time during which

eſtates uſed to continue in the ſame family ſufficiently demonſtrates the general diſpoſition of people to live within their income. Though the ruſtic hoſpitality conſtantly exerciſed by the great landholders may not to us in the preſent times ſeem conſiſtent with that order which we are apt to conſider as inſeparably connected with good oeconomy, yet we muſt certainly allow them to have been at leaſt ſo far frugal as not commonly to have ſpent their whole income. A part of their wool and raw hides they had generally an opportunity of ſelling for money. Some part of this money perhaps they ſpent in purchaſing the few objects of vanity and luxury with which the circumſtances of the times could furniſh them; but ſome part of it they ſeem commonly to have hoarded. They could not well indeed do any thing elſe but hoard whatever money they ſaved. To trade was diſgraceful to a gentleman, and to lend money at intereſt, which at that time was conſidered as uſury and prohibited by law, would have been ſtill more ſo. In thoſe times of violence and diſorder, beſides, it was convenient to have a hoard of money at hand, that in caſe they ſhould be driven from their own home they might have ſomething of known value to carry with them to ſome place of ſafety. The ſame violence which made it convenient to hoard, made it equally convenient to conceal the hoard. The frequency of treaſure trove, or of treaſure found of which no owner was known, ſufficiently demonſtrates the frequency in thoſe times both of hoarding and of concealing the hoard. Treaſure-trove was then conſidered as an important branch of the revenue of the ſovereign. All the treaſure-trove of the kingdom would ſcarce perhaps in the preſent times make an important branch of the revenue of a private gentleman of a good eſtate.

The ſame diſpoſition to ſave and to hoard prevailed in the ſovereign, as well as in the ſubjects. Among nations to whom commerce and manufactures are little known, the ſovereign, it has already

already been obſerved in the fourth book, is in a ſituation which naturally diſpoſes him to the parſimony requiſite for accumulation. In that ſituation the expence even of a ſovereign cannot be directed by that vanity which delights in the gaudy finery of a court. The ignorance of the times affords but few of the trinkets in which that finery conſiſts. Standing armies are not then neceſſary, ſo that the expence even of a ſovereign, like that of any other great lord, can be employed in ſcarce any thing but bounty to his tenants, and hoſpitality to his retainers. But bounty and hoſpitality very ſeldom lead to extravagance; though vanity almoſt always does. All the antient ſovereigns of Europe accordingly, it has already been obſerved, had treaſures. Every Tartar chief in the preſent times is ſaid to have one.

In a commercial country abounding with every ſort of expenſive luxury, the ſovereign, in the ſame manner as almoſt all the great proprietors in his dominions, naturally ſpends a great part of his revenue in purchaſing thoſe luxuries. His own and the neighbouring countries ſupply him abundantly with all the coſtly trinkets which compoſe the ſplendid, but inſignificant pageantry of a court. For the ſake of an inferior pageantry of the ſame kind, his nobles diſmiſs their retainers, make their tenants independent, and become gradually themſelves as inſignificant as the greater part of the wealthy burghers in his dominions. The ſame frivolous paſſions which influence their conduct influence his. How can it be ſuppoſed that he ſhould be the only rich man in his dominions who is inſenſible to pleaſures of this kind? If he does not, what he is very likely to do, ſpend upon thoſe pleaſures ſo great a part of his revenue as to debilitate very much the defenſive power of the ſtate, it cannot well be expected that he ſhould not ſpend upon them all that part of it which is over and above what is neceſſary for ſupporting that defenſive power. His ordinary expence be-

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comes equal to his ordinary revenue, and it is well if it does not frequently exceed it. The amaſſing of treaſure can no longer be expected, and when extraordinary exigencies require extraordinary expences, he muſt neceſſarily call upon his ſubjects for an extraordinary aid. The preſent and the late king of Pruſſia are the only great princes of Europe who, ſince the death of Henry IV. of France in 1610, are ſuppoſed to have amaſſed any conſiderable treaſure. The parſimony which leads to accumulation has become almoſt as rare in republican as in monarchical governments. The Italian republics, the United Provinces of the Netherlands, are all in debt. The canton of Berne is the ſingle republic in Europe which has amaſſed any conſiderable treaſure. The other Swiſs republics have not. The taſte for ſome ſort of pageantry, for ſplendid buildings, at leaſt, and other publick ornaments, frequently prevails as much in the apparently ſober ſenate-houſe of a little republic as in the diſſipated court of the greateſt king.

The want of parſimony in time of peace, impoſes the neceſſity of contracting debt in time of war. When war comes, there is no money in the treaſury but what is neceſſary for carrying on the ordinary expence of the peace eſtabliſhment. In war an eſtabliſhment of three or four times that expence becomes neceſſary for the defence of the ſtate, and conſequently a revenue three or four times greater than the peace revenue. Suppoſing that the ſovereign ſhould have, what he ſcarce ever has, the immediate means of augmenting his revenue in proportion to the augmentation of his expence, yet ſtill the produce of the taxes from which this increaſe of revenue muſt be drawn will not begin to come into the treaſury till perhaps ten or twelve months after they are impoſed. But the moment in which war begins, or rather the moment in which it appears likely to begin, the army muſt be augmented, the fleet muſt be fitted out, the garriſoned towns muſt be put into a poſture of defence; that

that army, that fleet, thoſe garriſoned towns muſt be furniſhed with arms, ammunition and proviſions. An immediate and great expence muſt be incurred in that moment of immediate danger, which will not wait for the gradual and ſlow returns of the new taxes. In this exigency government can have no other reſource but in borrowing.

THE ſame commercial ſtate of ſociety which, by the operation of moral cauſes, brings government in this manner into the neceſſity of borrowing, produces in the ſubjects both an ability and an inclination to lend. If it commonly brings along with it the neceſſity of borrowing, it likewiſe brings along with it the facility of doing ſo.

A COUNTRY abounding with merchants and manufacturers, neceſſarily abounds with a ſet of people through whoſe hands, not only their own capitals, but the capitals of all thoſe who either lend them money, or truſt them with goods, paſs as frequently, or more frequently, than the revenue of a private man, who, without trade or buſineſs, lives upon his income, paſſes through his hands. The revenue of ſuch a man can regularly paſs through his hands only once in the year. But the whole amount of the capital and credit of a merchant who deals in a trade of which the returns are very quick, may ſometimes paſs through his hands two, three, or four times in a year. A country abounding with merchants and manufacturers, therefore, neceſſarily abounds with a ſet of people who have it at all times in their power to advance, if they chuſe to do ſo, a very large ſum of money to government. Hence the ability in the ſubjects of a commercial ſtate to lend.

COMMERCE and manufactures can ſeldom flouriſh long in any ſtate which does not enjoy a regular adminiſtration of juſtice, in which the people do not feel themſelves ſecure in the poſſeſſion of

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their property, in which the faith of contracts is not ſupported by law, and in which the authority of the ſtate is not ſuppoſed to be regularly employed in enforcing the payment of debts from all thoſe who are able to pay. Commerce and manufactures, in ſhort, can ſeldom flouriſh in any ſtate in which there is not a certain degree of confidence in the juſtice of government. The ſame confidence which diſpoſes great merchants and manufacturers, upon ordinary occaſions, to truſt their property to the protection of a particular government; diſpoſes them, upon extraordinary occaſions, to truſt that government with the uſe of their property. By lending money to government, they do not even for a moment diminiſh their ability to carry on their trade and manufactures. On the contrary, they commonly augment it. The neceſſities of the ſtate render government upon moſt occaſions willing to borrow upon terms extremely advantageous to the lender. The ſecurity which it grants to the original creditor, is made transferable to any other creditor, and, from the univerſal confidence in the juſtice of the ſtate, generally ſells in the market for more than was originally paid for it. The merchant or monied man makes money by lending money to government, and inſtead of diminiſhing, increaſes his trading capital. He generally conſiders it as a favour, therefore, when the adminiſtration admits him to a ſhare in the firſt ſubſcription for a new loan. Hence the inclination or willingneſs in the ſubjects of a commercial ſtate to lend.

The government of ſuch a ſtate is very apt to repoſe itſelf upon this ability and willingneſs of its ſubjects to lend it their money on extraordinary occaſions. It foreſees the facility of borrowing, and therefore diſpenſes itſelf from the duty of ſaving.

In a rude ſtate of ſociety there are no great mercantile or manufacturing capitals. The individuals who hoard whatever money

money they can ſave, and who conceal their hoard, do ſo from a diſtruſt of the juſtice of government, from a fear that if it was known that they had a hoard, and where that hoard was to be found, they would quickly be plundered. In ſuch a ſtate of things few people would be able, and nobody would be willing to lend their money to government on extraordinary exigencies. The ſovereign feels that he muſt provide for ſuch exigencies by ſaving, becauſe he foreſees the abſolute impoſſibility of borrowing. This foreſight increaſes ſtill further his natural diſpoſition to ſave.

THE progreſs of the enormous debts which at preſent oppreſs, and will in the long-run probably ruin all the great nations of Europe, has been pretty uniform. Nations, like private men, have generally begun to borrow upon what may be called perſonal credit, without aſſigning or mortgaging any particular fund for the payment of the debt; and when this reſource has failed them, they have gone on to borrow upon aſſignments or mortgages of particular funds.

WHAT is called the unfunded debt of Great Britain, is contracted in the former of thoſe two ways. It conſiſts partly in a debt which bears or is ſuppoſed to bear no intereſt, and which reſembles the debts that a private man contracts upon account; and partly in a debt which bears intereſt, and which reſembles what a private man contracts upon his bill or promiſſory note. The debts which are due either for extraordinary ſervices, or for ſervices either not provided for, or not paid at the time when they are performed; part of the extraordinaries of the army, navy, and ordnance, the arrears of ſubſidies to foreign princes, thoſe of ſeamens wages, &c. uſually conſtitute a debt of the firſt kind. Navy and exchequer bills, which are iſſued ſometimes in payment of a part of ſuch debts, and ſometimes for other purpoſes,

conſtitute a debt of the ſecond kind; exchequer bills bearing intereſt from the day on which they are iſſued, and navy bills ſix months after they are iſſued. The bank of England, either by voluntarily diſcounting thoſe bills at their current value; or by agreeing with government for certain conſiderations to circulate Exchequer bills, that is, to receive them at par, paying the intereſt which happens to be due upon them, keeps up their value and facilitates their circulation, and thereby frequently enables government to contract a very large debt of this kind. In France, where there is no bank, the ſtate bills (billets d'etat) † have ſometimes ſold at ſixty and ſeventy per cent. diſcount. During the great re-coinage in king William's time, when the bank of England thought proper to put a ſtop to its uſual tranſactions, exchequer bills and tallies are ſaid to have ſold from twenty-five to ſixty per cent. diſcount; owing partly, no doubt, to the ſuppoſed inſtability of the new government eſtabliſhed by the revolution, but partly too to the want of the ſupport of the bank of England.

When this reſource is exhauſted, and it becomes neceſſary, in order to raiſe money, to aſſign or mortgage ſome particular branch of the public revenue for the payment of the debt, government has upon different occaſions done this in two different ways. Sometimes it has made this aſſignment or mortgage for a ſhort period of time only, a year or a few years, for example; and ſometimes for perpetuity. In the one caſe the fund was ſuppoſed ſufficient to pay, within the limited time, both principal and intereſt of the money borrowed. In the other it was ſuppoſed ſufficient to pay the intereſt only, or a perpetual annuity equivalent to the intereſt, government being at liberty to redeem at any time this annuity upon paying back the principal ſum borrowed. When money was raiſed in the one way, it was ſaid to be raiſed by anticipation; when in the other, by perpetual funding, or, more ſhortly, by funding.

† See Examen des Reflexions politiques ſur les finances.

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In Great Britain the annual land and malt taxes are regularly anticipated every year, by virtue of a borrowing clauſe conſtantly inſerted into the acts which impoſe them. The bank of England generally advances at an intereſt, which ſince the revolution has varied from eight to three per cent. the ſums for which thoſe taxes are granted, and receives payment as their produce gradually comes in. If there is a deficiency, which there always is, it is provided for in the ſupplies of the enſuing year. The only conſiderable branch of the public revenue which yet remains unmortgaged is thus regularly ſpent before it comes in. Like an unprovident ſpendthrift, whoſe preſſing occaſions will not allow him to wait for the regular payment of his revenue, the ſtate is in the conſtant practice of borrowing of its own factors and agents, and of paying intereſt for the uſe of its own money.

In the reign of king William, and during a great part of that of queen Anne, before we had become ſo familiar as we are now with the practice of perpetual funding, the greater part of the new taxes were impoſed but for a ſhort period of time, (for four, five, ſix, or ſeven years only) and a great part of the grants of every year conſiſted in loans upon anticipations of the produce of thoſe taxes. The produce being frequently inſufficient for paying within the limited term the principal and intereſt of the money borrowed, deficiencies aroſe, to make good which it became neceſſary to prolong the term.

In 1697, by the 8th of William III. c. 20. the deficiencies of ſeveral taxes were charged upon what was then called the firſt general mortgage or fund, conſiſting of a prolongation to the firſt of Auguſt, 1706, of ſeveral different taxes, which would have expired within a ſhorter term, and of which the produce was accumulated into one general fund. The deficiencies charged upon this prolonged term amounted to 5,160,459 l. 14 s. 9½ d.

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In 1701 thoſe duties with ſome others were ſtill further prolonged for the like purpoſes till the firſt of Auguſt, 1710, and were called the ſecond general mortgage or fund. The deficiencies charged upon it amounted to 2,055,999 l. 7 s. 11½ d.

In 1707, thoſe duties were ſtill further prolonged, as a fund for new loans, to the firſt of Auguſt, 1712, and were called the third general mortgage or fund. The ſum borrowed upon it was 983,254 l. 11 s. 9¼ d.

In 1708, thoſe duties were all (except the old ſubſidy of tonnage and poundage, of which one moiety only was made a part of this fund, and a duty upon the importation of Scotch linen, which had been taken off by the articles of union) ſtill further continued, as a fund for new loans, to the firſt of Auguſt, 1714, and were called the fourth general mortgage or fund. The ſum borrowed upon it was 925,176 l. 9 s. 2½ d.

In 1709, thoſe duties were all (except the old ſubſidy of tonnage and poundage, which was now left out of this fund altogether) ſtill further continued for the ſame purpoſe to the firſt of Auguſt, 1716, and were called the fifth general mortgage or fund. The ſum borrowed upon it was 922,029 l. 6 s. 0d.

In 1710, thoſe duties were again prolonged to the firſt of Auguſt, 1720, and were called the ſixth general mortgage or fund. The ſum borrowed upon it was 1,296,552 l. 9 s. 11¾ d.

In 1711, the ſame duties (which at this time were thus ſubject to four different anticipations) together with ſeveral others were continued for ever, and made a fund for paying the intereſt of the capital of the South Sea company, which had that year advanced to government, for paying debts and making good deficiencies, the ſum of 9,177,967 l. 15 s. 4 d. the greateſt loan which at that time had ever been made.

BEFORE this period, the principal, ſo far as I have been able to obſerve, the only taxes which in order to pay the intereſt of a debt had been impoſed for perpetuity, were thoſe for paying the intereſt of the money which had been advanced to government by the Bank and Eaſt India company, and of what it was expected would be advanced, but which was never advanced, by a projected land-bank. The bank fund at this time amounted to 3,375,027l. 17s. 10½d. for which was paid an annuity or intereſt of 206,501l. 13s. 5d. The Eaſt India fund amounted to 3,200,000l. for which was paid an annuity or intereſt of 160,000l.; the bank fund being at ſix per cent. the Eaſt India fund at five per cent. intereſt.

IN 1715, by the firſt of George I. c. 12. the different taxes which had been mortgaged for paying the bank annuity, together with ſeveral others which by this act were likewiſe rendered perpetual, were accumulated into one common fund called The Aggregate Fund, which was charged, not only with the payment of the bank annuity, but with ſeveral other annuities and burdens of different kinds. This fund was afterwards augmented by the third of George I. c. 8. and by the fifth of George I. c. 3. and the different duties which were then added to it were likewiſe rendered perpetual.

IN 1717, by the third of George I. c. 7. ſeveral other taxes were rendered perpetual, and accumulated into another common fund, called The General Fund, for the payment of certain annuities, amounting in the whole to 724,849l. 6s. 10½d.

IN conſequence of thoſe different acts, the greater part of the taxes which before had been anticipated only for a ſhort term of years, were rendered perpetual as a fund for paying, not the capital, but the intereſt only, of the money which had been borrowed upon them by different ſucceſſive anticipations.

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HAD money never been raiſed but by anticipation, the courſe of a few years would have liberated the public revenue, without any other attention of government beſides that of not overloading the fund by charging it with more debt than it could pay within the limited term, and of not anticipating a ſecond time before the expiration of the firſt anticipation. But the greater part of European governments have been incapable of thoſe attentions. They have frequently overloaded the fund even upon the firſt anticipation; and when this happened not to be the caſe, they have generally taken care to overload it by anticipating a ſecond and a third time before the expiration of the firſt anticipation. The fund becoming in this manner altogether inſufficient for paying both principal and intereſt of the money borrowed upon it, it became neceſſary to charge it with the intereſt only, or a perpetual annuity equal to the intereſt, and ſuch unprovident anticipations neceſſarily gave birth to the more ruinous practice of perpetual funding. But though this practice neceſſarily puts off the liberation of the public revenue from a fixed period to one ſo indefinite that it is not very likely ever to arrive; yet as a greater ſum can in all caſes be raiſed by this new practice than by the old one of anticipations, the former, when men have once become familiar with it, has in the great exigencies of the ſtate been univerſally preferred to the latter. To relieve the preſent exigency is always the object which principally intereſts thoſe immediately concerned in the adminiſtration of public affairs. The future liberation of the public revenue, they leave to the care of poſterity.

DURING the reign of queen Anne, the market rate of intereſt had fallen from ſix to five per cent. and in the twelfth year of her reign five per cent. was declared to be the higheſt rate which could lawfully be taken for money borrowed upon private ſecurity. Soon after the greater part of the temporary taxes of Great Britain had been rendered perpetual, and diſtributed into the Aggregate, South Sea, and General Funds, the creditors of the public,

publick, like thoſe of private perſons, were induced to accept of five per cent. for the intereſt of their money, which occaſioned a ſaving of one per cent. upon the capital of the greater part of the debts which had been thus funded for perpetuity, or of one-ſixth of the greater part of the annuities which were paid out of the three great funds above mentioned. This ſaving left a conſiderable ſurplus in the produce of the different taxes which had been accumulated into thoſe funds, over and above what was neceſſary for paying the annuities which were now charged upon them, and laid the foundation of what has ſince been called the Sinking Fund. In 1717, it amounted to 323,434l. 7s. 7½d. In 1727, the intereſt of the greater part of the public debts was ſtill further reduced to four per cent.; and in 1753 and 1757, to three and a half and three per cent.; which reductions ſtill further augmented the ſinking fund.

A SINKING fund, though inſtituted for the payment of old, facilitates very much the contracting of new debts. It is a ſubſidiary fund always at hand to be mortgaged in aid of any other doubtful fund, upon which money is propoſed to be raiſed in any exigency of the ſtate. Whether the ſinking fund of Great Britain has been more frequently applied to the one or to the other of thoſe two purpoſes, will ſufficiently appear by and by.

BESIDES thoſe two methods of borrowing, by anticipations and by perpetual funding, there are two other methods, which hold a ſort of middle place between them. Theſe are, that of borrowing upon annuities for terms of years, and that of borrowing upon annuities for lives.

DURING the reigns of king William and queen Anne, large ſums were frequently borrowed upon annuities for terms of years, which

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were ſometimes longer and ſometimes ſhorter. In 1693, an act was paſſed for borrowing one million upon an annuity of fourteen per cent. or of 140,000l. a year for ſixteen years. In 1691, an act was paſſed for borrowing a million upon annuities for lives, upon terms which in the preſent times would appear very advantageous. But the ſubſcription was not filled up. In the following year the deficiency was made good by borrowing upon annuities for lives at fourteen per cent. or at little more than ſeven years purchaſe. In 1695, the perſons who had purchaſed thoſe annuities were allowed to exchange them for others of ninety-ſix years, upon paying into the Exchequer ſixty-three pounds in the hundred; that is, the difference between fourteen per cent. for life, and fourteen per cent. for ninety-ſix years, was ſold for ſixty-three pounds, or for four and a half years purchaſe. Such was the ſuppoſed inſtability of government, that even theſe terms procured few purchaſers. In the reign of queen Anne, money was upon different occaſions borrowed both upon annuities for lives, and upon annuities for terms of thirty-two, of eighty-nine, of ninety-eight, and of ninety-nine years. In 1719, the proprietors of the annuities for thirty-two years were induced to accept in lieu of them South-ſea ſtock to the amount of eleven and a half years purchaſe of the annuities, together with an additional quantity of ſtock equal to the arrears which happened then to be due upon them. In 1720, the greater part of the other annuities for terms of years both long and ſhort were ſubſcribed into the ſame fund. The long annuities at that time amounted to 666,821l. 8s. 3½d. a year. On the 5th of January, 1775, the remainder of them, or what was not ſubſcribed at that time, amounted only to 136,453l. 12s. 8d.

During the two wars which begun in 1739, and in 1755, little money was borrowed either upon annuities for terms of years, or upon

upon thoſe for lives. An annuity for ninety-eight or ninety-nine years, however, is worth nearly as much money as a perpetuity, and ſhould therefore, one might think, be a fund for borrowing nearly as much. But thoſe who, in order to make family ſettlements, and to provide for remote futurity, buy into the public ſtocks, would not care to purchaſe into one of which the value was continually diminiſhing; and ſuch people make a very conſiderable proportion both of the proprietors and purchaſers of ſtock. An annuity for a long term of years therefore, though its intrinſic value may be very nearly the ſame with that of a perpetual annuity, will not find nearly the ſame number of purchaſers. The ſubſcribers to a new loan, who mean generally to ſell their ſubſcription as ſoon as poſſible, prefer greatly a perpetual annuity redeemable by parliament, to an irredeemable annuity for a long term of years of only equal amount. The value of the former may be ſuppoſed always the ſame or very nearly the ſame, and it makes therefore a more convenient transferable ſtock than the latter.

During the two laſt mentioned wars, annuities either for terms of years or for lives were ſeldom granted but as premiums to the ſubſcribers to a new loan, over and above the redeemable annuity or intereſt upon the credit of which the loan was ſuppoſed to be made. They were granted, not as the proper fund upon which the money was borrowed; but as an additional encouragement to the lender.

Annuities for lives have occaſionally been granted in two different ways; either upon ſeparate lives, or upon lots of lives, which in French are called Tontines, from the name of their inventor. When annuities are granted upon ſeparate lives, the death of every individual annuitant diſburthens the public revenue ſo far as it was affected by his annuity. When annuities are

granted upon tontines, the liberation of the public revenue does not commence till the death of all the annuitants comprehended in one lot, which may ſometimes conſiſt of twenty or thirty perſons, of whom the ſurvivors ſucceed to the annuities of all thoſe who die before them; the laſt ſurvivor ſucceeding to the annuities of the whole lot. Upon the ſame revenue more money can always be raiſed by tontines than by annuities for ſeparate lives. An annuity, with a right of ſurvivorſhip, is really worth more than an equal annuity for a ſeparate life, and from the confidence which every man naturally has in his own good fortune, the principle upon which is founded the ſucceſs of all lotteries, ſuch an annuity generally ſells for ſomething more than it is worth. In countries where it is uſual for government to raiſe money by granting annuities, tontines are upon this account generally preferred to annuities for ſeparate lives. The expedient which will raiſe moſt money, is almoſt always preferred to that which is likely to bring about in the ſpeedieſt manner the liberation of the public revenue.

In France a much greater proportion of the public debts conſiſts in annuities for lives than in England. According to a memoir preſented by the parliament of Bourdeaux to the king in 1764, the whole public debt of France is eſtimated at twenty-four hundred millions of livres; of which the capital for which annuities for lives had been granted, is ſuppoſed to amount to three hundred millions, the eighth-part of the whole public debt. The annuities themſelves are computed to amount to thirty millions a year, the fourth part of one hundred and twenty millions, the ſuppoſed intereſt of that whole debt. Theſe eſtimations, I know very well, are not exact, but having been preſented by ſo very reſpectable a body as approximations to the truth, they may, I apprehend, be conſidered as ſuch. It is not the different degrees of anxiety in the two governments of France

and

and England for the liberation of the public revenue, which occaſions this difference in their reſpective modes of borrowing. It ariſes altogether from the different views and intereſts of the lenders.

In England, the ſeat of government being in the greateſt mercantile city in the world, the merchants are generally the people who advance money to government. By advancing it they do not mean to diminiſh, but, on the contrary, to increaſe their mercantile capitals; and unleſs they expected to ſell with ſome profit their ſhare in the ſubſcription for a new loan, they never would ſubſcribe. But if by advancing their money they were to purchaſe, inſtead of perpetual annuities, annuities for lives only, whether their own or thoſe of other people, they would not always be ſo likely to ſell them with a profit. Annuities upon their own lives they would always ſell with loſs; becauſe no man will give for an annuity upon the life of another, whoſe age and ſtate of health are nearly the ſame with his own, the ſame price which he would give for one upon his own. An annuity upon the life of a third perſon, indeed, is, no doubt, of equal value to the buyer and the ſeller; but its real value begins to diminiſh from the moment it is granted, and continues to do ſo more and more as long as it ſubſiſts. It can never, therefore, make ſo convenient a transferable ſtock as a perpetual annuity, of which the real value may be ſuppoſed always the ſame, or very nearly the ſame.

In France, the ſeat of government not being in a great mercantile city, merchants do not make ſo great a proportion of the people who advance money to government. The people concerned in the finances, the farmers general, the receivers of the taxes which are not in farm, the court bankers, &c. make the greater part of thoſe who advance their money in all public exigencies. Such people are commonly men of mean birth, but of great wealth, and frequently

quently of great pride. They are too proud to marry their equals, and women of quality disdain to marry them. They frequently resolve, therefore, to live bachelors, and having neither any families of their own, nor much regard for those of their relations, whom they are not always very fond of acknowledging, they desire only to live in splendor during their own time, and are not unwilling that their fortune should end with themselves. The number of rich people, besides, who are either averse to marry, or whose condition of life renders it either improper or inconvenient for them to do so, is much greater in France than in England. To such people, who have little or no care for posterity, nothing can be more convenient than to exchange their capital for a revenue, which is to last just as long as, and no longer than, they wish it to do.

The ordinary expence of the greater part of modern governments in time of peace being equal or nearly equal to their ordinary revenue, when war comes they are both unwilling and unable to increase their revenue in proportion to the increase of their expence. They are unwilling, for fear of offending the people, who, by so great and so sudden an increase of taxes, would soon be disgusted with the war; and they are unable, from not well knowing what taxes would be sufficient to produce the revenue wanted. The facility of borrowing delivers them from the embarrassment which this fear and inability would otherwise occasion. By means of borrowing they are enabled, with a very moderate increase of taxes, to raise, from year to year, money sufficient for carrying on the war, and by the practice of perpetual funding they are enabled, with the smallest possible increase of taxes, to raise annually the largest possible sum of money. In great empires the people who live in the capital, and in the provinces remote from the scene of action, feel, many of them, scarce any inconveniency from the

war; but enjoy, at their eaſe, the amuſement of reading in the news-papers the exploits of their own fleets and armies. To them this amuſement compenſates the ſmall difference between the taxes which they pay on account of the war, and thoſe which they had been accuſtomed to pay in time of peace. They are commonly diſſatisfied with the return of peace, which puts an end to their amuſement, and to a thouſand viſionary hopes of conqueſt, and national glory, from a longer continuance of the war.

The return of peace, indeed, ſeldom relieves them from the greater part of the taxes impoſed during the war. Theſe are mortgaged for the intereſt of the debt contracted in order to carry it on. If, over and above paying the intereſt of this debt, and defraying the ordinary expence of government, the old revenue, together with the new taxes, produce ſome ſurplus revenue, it may perhaps be converted into a ſinking fund for paying off the debt. But, in the firſt place, this ſinking fund, even ſuppoſing it ſhould be applied to no other purpoſe, is generally altogether inadequate for paying, in the courſe of any period during which it can reaſonably be expected that peace ſhould continue, the whole debt contracted during the war; and, in the ſecond place, this fund is almoſt always applied to other purpoſes.

The new taxes were impoſed for the ſole purpoſe of paying the intereſt of the money borrowed upon them. If they produce more, it is generally ſomething which was neither intended nor expected, and is therefore ſeldom very conſiderable. Sinking funds have generally ariſen, not ſo much from any ſurplus of the taxes which was over and above what was neceſſary for paying the intereſt or annuity originally charged upon them, as from a ſubſequent reduction of that intereſt. That of Holland in 1655, and that of the eccleſiaſtical ſtate in 1685, were both formed in this manner. Hence the uſual inſufficiency of ſuch funds.

During

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During the moſt profound peace, various events occur which require an extraordinary expence, and government finds it always more convenient to defray this expence by miſapplying the ſinking fund than by impoſing a new tax. Every new tax is immediately felt more or leſs by the people. It occaſions always ſome murmur, and meets with ſome oppoſition. The more taxes may have been multiplied, the higher they may have been raiſed upon every different ſubject of taxation; the more loudly the people complain of every new tax, the more difficult it becomes too either to find out new ſubjects of taxation, or to raiſe much higher the taxes already impoſed upon the old. A momentary ſuſpenſion of the payment of debt is not immediately felt by the people, and occaſions neither murmur nor complaint. To borrow of the ſinking fund is always an obvious and eaſy expedient for getting out of the preſent difficulty. The more the public debts may have been accumulated, the more neceſſary it may have become to ſtudy to reduce them, the more dangerous, the more ruinous it may be to miſapply any part of the ſinking fund; the leſs likely is the public debt to be reduced to any conſiderable degree, the more likely, the more certainly is the ſinking fund to be miſapplied towards defraying all the extraordinary expences which occur in time of peace. When a nation is already overburdened with taxes, nothing but the neceſſities of a new war, nothing but either the animoſity of national vengeance, or the anxiety for national ſecurity, can induce the people to ſubmit, with tolerable patience, to a new tax. Hence the uſual miſapplication of the ſinking fund.

In Great Britain, from the time that we had firſt recourſe to the ruinous expedient of perpetual funding, the reduction of the public debt in time of peace, has never borne any proportion to its accumulation in time of war. It was in the war which began in 1688, and was concluded by the treaty of Ryſwick in 1697, that the foundation of the preſent enormous debt of Great Britain was firſt laid.

CHAP. III.

On the 31ſt of December, 1697, the public debts of Great Britain, funded and unfunded, amounted to 21,515,742l. 13s. 8½d. A great part of thoſe debts had been contracted upon ſhort anticipations, and ſome part upon annuities for lives; ſo that before the 31ſt of December, 1701, in leſs than four years, there had partly been paid off, and partly reverted to the public, the ſum of 5,121,041 l. 12 s. 0¾ d.; a greater reduction of the public debt than has ever ſince been brought about in ſo ſhort a period of time. The remaining debt, therefore, amounted only to 16,394,701 l. 1 s. 7¼ d.

In the war which began in 1702, and which was concluded by the treaty of Utrecht, the public debts were ſtill more accumulated. On the 31ſt of December, 1714, they amounted to 53,681,076 l. 5 s. 6½ d. The ſubſcription into the South Sea fund of the long and ſhort annuities increaſed the capital of the public debts, ſo that on the 31ſt of December, 1722, it amounted to 55,282,978 l. 1 s. 3⅚ d. The reduction of the debt began in 1723, and went on ſo ſlowly that, on the 31ſt of December, 1739, during ſeventeen years of profound peace, the whole ſum paid off was no more than 8,328,354 l. 17 s. 11½ d. the capital of the public debt at that time amounting to 46,954,623 l. 3 s. 4½ d.

The Spaniſh war, which began in 1739, and the French war which ſoon followed it, occaſioned a further encreaſe of the debt, which, on the 31ſt of December, 1748, after the war had been concluded by the treaty of Aix la Chapelle, amounted to 78,293,313 l. 1 s. 10¾ d. The moſt profound peace of ſeventeen years continuance had taken no more than 8,328,354 l. 17 s. 11½ d. from it. A war of leſs than nine years continuance added 31,338,689 l. 18 s. 6⅙ d. to it *.

During the adminiſtration of Mr. Pelham, the intereſt of the public debt was reduced, or at leaſt meaſures were taken for reduce-

* See James Poſtlethwaite's hiſtory of the public revenue.

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ing it, from four to three per cent.; the ſinking fund was increaſed, and ſome part of the public debt was paid off. In 1755, before the breaking out of the late war, the funded debt of Great Britain amounted to 72,289,673 l. On the 5th of January, 1763, at the concluſion of the peace, the funded debt amounted to 122,603,336 l. 8 s. 2½ d. The unfunded debt has been ſtated at 13,927,589 l. 2 s. 2 d. But the expence occaſioned by the war did not end with the concluſion of the peace; ſo that though on the 5th of January, 1764, the funded debt was increaſed (partly by a new loan, and partly by funding a part of the unfunded debt) to 129,586,789 l. 10 s. 1¾ d. there ſtill remained (according to the very well informed author of the Conſiderations on the trade and finances of Great Britain) an unfunded debt, which was brought to account in that and the following year, of 9,975,017 l. 12 s. 2⅝ d. In 1764, therefore, the public debt of Great Britain, funded and unfunded together, amounted, according to this author, to 139,561,807 l. 2 s. 4 d. The annuities for lives too, which had been granted as premiums to the ſubſcribers to the new loans in 1757, eſtimated at fourteen years purchaſe, were valued at 472,500 l.; and the annuities for long terms of years, granted as premiums likewiſe, in 1761 and 1762, eſtimated at 27½ years purchaſe, were valued at 6,826,875 l. During a peace of about ſeven years continuance, the prudent and truly patriot adminiſtration of Mr. Pelham, was not able to pay off an old debt of ſix millions. During a war of nearly the ſame continuance, a new debt of more than ſeventy-five millions was contracted.

On the 5th of January, 1775, the funded debt of Great Britain amounted to 124,996,086 l. 1 s. 6½ d. The unfunded, excluſive of a large civil liſt debt, to 4,150,236 l. 3 s. 11⅞ d. Both together, to 129,146,322 l. 5 s. 6 d. According to this account the whole debt paid off during eleven years profound peace amounted only to 10,415,474 l. 16 s. 9⅞ d. Even this

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ſmall reduction of debt, however, has not been all made from the ſavings out of the ordinary revenue of the ſtate. Several extraneous ſums, altogether independant of that ordinary revenue, have contributed towards it. Among theſe we may reckon an additional ſhilling in the pound land tax for three years; the two millions received from the Eaſt India company, as indemnification for their territorial acquiſitions; and the one hundred and ten thouſand pounds received from the bank for the renewal of their charter. To theſe muſt be added ſeveral other ſums which, as they aroſe out of the late war, ought perhaps to be conſidered as deductions from the expences of it. The principal are,

	l.	s.	d.
The produce of French prizes ——	690,449	18	9
Compoſition for French priſoners —	670,000	0	0
What has been received from the ſale of the ceded iſlands —— ——	95,500	0	0
Total,	1,455,949	18	9

If we add to this ſum the balance of the earl of Chatham's and Mr. Calcraft's accounts, and other army ſavings of the ſame kind, together with what has been received from the bank, the Eaſt India company, and the additional ſhilling in the pound, land tax; the whole muſt be a good deal more than five millions. The debt, therefore, which ſince the peace has been paid out of the ſavings from the ordinary revenue of the ſtate, has not, one year with another, amounted to half a million a year. The ſinking fund has, no doubt, been conſiderably augmented ſince the peace, by the debt which has been paid off, by the reduction of the redeemable four per cents. to three per cents. and by the annuities for lives which have fallen in, and, if peace was to continue,

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a million perhaps might now be annually ſpared out of it towards the diſcharge of the debt. Another million, accordingly, was paid in the courſe of laſt year; but, at the ſame time, a large civil liſt debt was left unpaid, and we are now involved in a new war which, in its progreſs, may prove as expenſive as any of our former wars. The new debt which will probably be contracted before the end of the next campaign, may perhaps be nearly equal to all the old debt which has been paid off from the ſavings out of the ordinary revenue of the ſtate. It would be altogether chimerical, therefore, to expect that the public debt ſhould ever be completely diſcharged by any ſavings which are likely to be made from that ordinary revenue as it ſtands at preſent.

The public funds of the different indebted nations of Europe, particularly thoſe of England, have by one author been repreſented as the accumulation of a great capital ſuper-added to the other capital of the country, by means of which its trade is extended, its manufactures multiplied, and its lands cultivated and improved much beyond what they could have been by means of that other capital only. He does not conſider that the capital which the firſt creditors of the public advanced to government, was, from the moment in which they advanced it, a certain portion of the annual produce turned away from ſerving in the function of a capital, to ſerve in that of a revenue; from maintaining productive labourers to maintain unproductive ones, and to be ſpent and waſted, generally in the courſe of the year, without even the hope of any future reproduction. In return for the capital which they advanced they obtained, indeed, an annuity in the public funds in moſt caſes of more than equal value. This annuity, no doubt, replaced to them their capital, and enabled them to carry on their trade and buſineſs to the ſame or perhaps to a greater extent than before; that is, they were enabled either

to borrow of other people a new capital upon the credit of this annuity, or by ſelling it to get from other people a new capital of their own, equal or ſuperior to that which they had advanced to government. This new capital, however, which they in this manner either bought or borrowed of other people, muſt have exiſted in the country before, and muſt have been employed, as all capitals are, in maintaining productive labour. When it came into the hands of thoſe who had advanced their money to government, though it was in ſome reſpects a new capital to them, it was not ſo to the country; but was only a capital withdrawn from certain employments in order to be turned towards others. Though it replaced to them what they had advanced to government, it did not replace it to the country. Had they not advanced this capital to government, there would have been in the country two capitals, two portions of the annual produce, inſtead of one, employed in maintaining productive labour.

When for defraying the expence of government a revenue is raiſed within the year from the produce of free or unmortgaged taxes, a certain portion of the revenue of private people is only turned away from maintaining one ſpecies of unproductive labour, towards maintaining another. Some part of what they pay in thoſe taxes might no doubt have been accumulated into capital, and conſequently employed in maintaining productive labour; but the greater part would probably have been ſpent and conſequently employed in maintaining unproductive labour. The public expence however, when defrayed in this manner, no doubt hinders more or leſs the further accumulation of new capital; but it does not neceſſarily occaſion the deſtruction of any actually exiſting capital.

When the publick expence is defrayed by funding, it is defrayed by the annual deſtruction of ſome capital which had before exiſted

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in the country; by the perverſion of ſome portion of the annual produce which had before been deſtined for the maintenance of productive labour, towards that of unproductive labour. As in this caſe, however, the taxes are lighter than they would have been, had a revenue ſufficient for defraying the ſame expence been raiſed within the year; the private revenue of individuals is neceſſarily leſs burthened, and conſequently their ability to ſave and accumulate ſome part of that revenue into capital is a good deal leſs impaired. If the method of funding deſtroys more old capital, it at the ſame time hinders leſs the accumulation or acquiſition of new capital, than that of defraying the public expence by a revenue raiſed within the year. Under the ſyſtem of funding, the frugality and induſtry of private people can more eaſily repair the breaches which the waſte and extravagance of government may occaſionally make in the general capital of the ſociety.

It is only during the continuance of war, however, that the ſyſtem of funding has this advantage over the other ſyſtem. Were the expence of war to be defrayed always by a revenue raiſed within the year, the taxes from which that extraordinary revenue was drawn would laſt no longer than the war. The ability of private people to accumulate, though leſs during the war, would have been greater during the peace than under the ſyſtem of funding. War would not neceſſarily have occaſioned the deſtruction of any old capitals, and peace would have occaſioned the accumulation of many more new. Wars would in general be more ſpeedily concluded, and leſs wantonly undertaken. The people feeling, during the continuance of the war, the complete burden of it, would ſoon grow weary of it, and government, in order to humour them, would not be under the neceſſity of carrying it on longer than it was neceſſary to do ſo. The foreſight of the heavy and unavoidable burdens of war would hinder the people

people from wantonly calling for it when there was no real or ſolid intereſt to fight for. The ſeaſons during which the ability of private people to accumulate was ſomewhat impaired, would occur more rarely, and be of ſhorter continuance. Thoſe, on the contrary, during which that ability was in the higheſt vigour, would be of much longer duration than they can well be under the ſyſtem of funding.

When funding, beſides, has made a certain progreſs, the multiplication of taxes which it brings along with it ſometimes impairs as much the ability of private people to accumulate even in time of peace, as the other ſyſtem would in time of war. The peace revenue of Great Britain amounts at preſent to more than ten millions a year. If free and unmortgaged, it might be ſufficient, with proper management and without contracting a ſhilling of new debt, to carry on the moſt vigorous war. The private revenue of the inhabitants of Great Britain is at preſent as much encumbered in time of peace, their ability to accumulate is as much impaired as it would have been in the time of the moſt expenſive war, had the pernicious ſyſtem of funding never been adopted.

In the payment of the intereſt of the public debt, it has been ſaid, it is the right hand which pays the left. The money does not go out of the country. It is only a part of the revenue of one ſet of the inhabitants which is transferred to another; and the nation is not a farthing the poorer. This apology is founded altogether in the ſophiſtry of the mercantile ſyſtem, and after the long examination which I have already beſtowed upon that ſyſtem, it may perhaps be unneceſſary to ſay any thing further about it. It ſuppoſes, beſides, that the whole public debt is owing to the inhabitants of the country, which happens not to be true; the Dutch, as well as ſeveral other foreign nations, having a very conſiderable

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ſhare in our public funds. But though the whole debt were owing to the inhabitants of the country, it would not upon that account be leſs pernicious.

LAND and capital ſtock are the two original ſources of all revenue both private and public. Capital ſtock pays the wages of productive labour, whether employed in agriculture, manufactures, or commerce. The management of thoſe two original ſources of revenue belongs to two different ſetts of people; the proprietors of land, and the owners or employers of capital ſtock.

THE proprietor of land is intereſted for the ſake of his own revenue to keep his eſtate in as good condition as he can, by building and repairing his tenants houſes, by making and maintaining the neceſſary drains and encloſures, and all thoſe other expenſive improvements which it properly belongs to the landlord to make and maintain. But by different land-taxes the revenue of the landlord may be ſo much diminiſhed; and by different duties upon the neceſſaries and conveniencies of life, that diminiſhed revenue may be rendered of ſo little real value, that he may find himſelf altogether unable to make or maintain thoſe expenſive improvements. When the landlord, however, ceaſes to do his part, it is altogether impoſſible that the tenant ſhould continue to do his. As the diſtreſs of the landlord increaſes, the agriculture of the country muſt neceſſarily decline.

WHEN by different taxes upon the neceſſaries and conveniencies of life, the owners and employers of capital ſtock find, that whatever revenue they derive from it, will not, in a particular country, purchaſe the ſame quantity of thoſe neceſſaries and conveniencies, which an equal revenue would in almoſt any other; they will be diſpoſed to remove to ſome other. And when, in order to raiſe thoſe taxes,

taxes, all or the greater part of merchants and manufacturers, that is, all or the greater part of the employers of great capitals, come to be continually expoſed to the mortifying and vexatious viſits of the tax gatherers; this diſpoſition to remove will ſoon be changed into an actual removal. The induſtry of the country will neceſſarily fall with the removal of the capital which ſupported it, and the ruin of trade and manufactures will follow the declenſion of agriculture. CHAP. III.

To transfer from the owners of thoſe two great ſources of revenue, land and capital ſtock, from the perſons immediately intereſted in the good condition of every particular portion of land, and in the good management of every particular portion of capital ſtock, to another ſett of perſons, (the creditors of the public, who have no ſuch particular intereſt) the greater part of the revenue ariſing from either, muſt, in the long-run, occaſion both the neglect of land, and the waſte or removal of capital ſtock. A creditor of the public has no doubt a general intereſt in the proſperity of the agriculture, manufactures, and commerce of the country; and conſequently in the good condition of its lands, and in the good management of its capital ſtock. Should there be any general failure or declenſion in any of theſe things, the produce of the different taxes might no longer be ſufficient to pay him the annuity or intereſt which is due to him. But a creditor of the public, conſidered merely as ſuch, has no intereſt in the good condition of any particular portion of land, or in the good management of any particular portion of capital ſtock. As a creditor of the public he has no knowledge of any ſuch particular portion. He has no inſpection of it. He can have no care about it. Its ruin may in moſt caſes be unknown to him, and cannot directly affect him.

The practice of funding has gradually enfeebled every ſtate which has adopted it. The Italian republics ſeem to have begun it.

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Genoa and Venice, the only two remaining which can pretend to an independent exiſtence, have both been enfeebled by it. Spain ſeems to have learned the practice from the Italian republics, and (its taxes being probably leſs judicious than theirs) it has, in proportion to its natural ſtrength, been ſtill more enfeebled. The debts of Spain are of very old ſtanding. It was deeply in debt before the end of the ſixteenth century, about a hundred years before England owed a ſhilling. France, notwithſtanding all its natural reſources, languiſhes under an oppreſſive load of the ſame kind. The republic of the United Provinces is as much enfeebled by its debts as either Genoa or Venice. Is it likely that in Great Britain alone a practice, which has brought either weakneſs or deſolation into every other country, ſhould prove altogether innocent?

The ſyſtem of taxation eſtabliſhed in thoſe different countries, it may be ſaid, is inferior to that of England. I believe it is ſo. But it ought to be remembered, that when the wiſeſt government has exhauſted all the proper ſubjects of taxation, it muſt, in caſes of urgent neceſſity, have recourſe to improper ones. The wiſe republic of Holland has upon ſome occaſions been obliged to have recourſe to taxes as inconvenient as the greater part of thoſe of Spain. Another war begun before any conſiderable liberation of the publick revenue had been brought about, and growing in its progreſs as expenſive as the laſt war, may, from irreſiſtable neceſſity, render the Britiſh ſyſtem of taxation as oppreſſive as that of Holland, or even as that of Spain. To the honour of our preſent ſyſtem of taxation, indeed, it has hitherto given ſo little embarraſſment to induſtry, that, during the courſe even of the moſt expenſive wars, the frugality and good conduct of individuals ſeems to have been able, by ſaving and accumulation, to repair all the breaches which the waſte and extravagance of government had made

made in the general capital of the ſociety. At the concluſion of the late war, the moſt expenſive that Great Britain ever waged, her agriculture was as flouriſhing, her manufacturers as numerous and as fully employed, and her commerce as extenſive, as they had ever been before. The capital, therefore, which ſupported all thoſe different branches of induſtry, muſt have been equal to what it had ever been before. Since the peace, agriculture has been ſtill further improved, the rents of houſes have riſen in every town and village of the country, a proof of the increaſing wealth and revenue of the people; and the annual amount of the greater part of the old taxes, of the principal branches of the exciſe and cuſtoms in particular, has been continually increaſing, an equally clear proof of an increaſing conſumption, and conſequently of an increaſing produce, which could alone ſupport that conſumption. Great Britain ſeems to ſupport with eaſe, a burden which, half a century ago, nobody believed her capable of ſupporting. Let us not, however, upon this account raſhly conclude that ſhe is capable of ſupporting any burden; nor even be too confident that ſhe could ſupport, without great diſtreſs, a burden a little greater than what has already been laid upon her.

When national debts have once been accumulated to a certain degree, there is ſcarce, I believe, a ſingle inſtance of their having been fairly and completely paid. The liberation of the public revenue, if it has ever been brought about at all, has always been brought about by a bankruptcy; ſometimes by an avowed one, but always by a real one, though frequently by a pretended payment.

The raiſing of the denomination of the coin has been the moſt uſual expedient by which a real public bankruptcy has been diſguiſed under the appearance of a pretended payment. If a ſixpence,

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for example, ſhould either by act of parliament or royal proclamation be raiſed to the denomination of a ſhilling, and twenty ſixpences to that of a pound ſterling; the perſon who under the old denomination had borrowed twenty ſhillings, or near four ounces of ſilver, would, under the new, pay with twenty ſixpences, or with ſomething leſs than two ounces. A national debt of about a hundred and twenty-eight millions, nearly the capital of the funded and unfunded debt of Great Britain, might in this manner be paid with about ſixty-four millions of our preſent money. It would indeed be a pretended payment only, and the creditors of the public would really be defrauded of ten ſhillings in the pound of what was due to them. The calamity too would extend much further than to the creditors of the public, and thoſe of every private perſon would ſuffer a proportionable loſs; and this without any advantage, but in moſt caſes with a great additional loſs, to the creditors of the public. If the creditors of the public indeed were generally much in debt to other people, they might in ſome meaſure compenſate their loſs by paying their creditors in the ſame coin in which the public had paid them. But in moſt countries the creditors of the public are, the greater part of them, wealthy people, who ſtand more in the relation of creditors than in that of debtors towards the reſt of their fellow citizens. A pretended payment of this kind, therefore, inſtead of alleviating, aggravates in moſt caſes the loſs of the creditors of the public; and without any advantage to the public extends the calamity to a great number of other innocent people. It occaſions a general and moſt pernicious ſubverſion of the fortunes of private people; enriching in moſt caſes the idle and profuſe debtor at the expence of the induſtrious and frugal creditor, and tranſporting a great part of the national capital, from the hands which were likely to encreaſe and improve it, to thoſe which are likely to diſſipate and deſtroy it. When it becomes neceſſary for a ſtate to declare

declare itſelf bankrupt, in the ſame manner as when it becomes neceſſary for an individual to do ſo, a fair, open, and avowed bankruptcy is always the meaſure which is both leaſt diſhonourable to the debtor, and leaſt hurtful to the creditor. The honour of a ſtate is ſurely very poorly provided for, when, in order to cover the diſgrace of a real bankruptcy, it has recourſe to a juggling trick of this kind, ſo eaſily ſeen through, and at the ſame time ſo extremely pernicious.

ALMOST all ſtates, however, antient as well as modern, when reduced to this neceſſity, have, upon ſome occaſions, played this very juggling trick. The Romans, at the end of the firſt punic war, reduced the As, the coin or denomination by which they computed the value of all their other coins, from containing twelve ounces of copper to contain only two ounces; that is, they raiſed two ounces of copper to a denomination which had always before expreſſed the value of twelve ounces. The republic was, in this manner, enabled to pay the great debts which it had contracted with the ſixth part of what it really owed. So ſudden and ſo great a bankruptcy, we ſhould in the preſent times be apt to imagine, muſt have occaſioned a very violent popular clamour. It does not appear to have occaſioned any. The law which enacted it was, like all other laws relating to the coin, introduced and carried through the aſſembly of the people by a tribune, and was probably a very popular law. In Rome, as in all the other antient republics, the poor people were conſtantly in debt to the rich and the great, who, in order to ſecure their votes at the annual elections, uſed to lend them money at exorbitant intereſt, which, being never paid, ſoon accumulated into a ſum too great either for the debtor to pay, or for any body elſe to pay for him. The debtor, for fear of a very ſevere execution, was obliged, without any further gratuity, to vote for the candidate whom the creditor recommended. In ſpite of all the

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laws againſt bribery and corruption, the bounty of the candidates, together with the occaſional diſtributions of corn, which were ordered by the ſenate, were the principal funds from which, during the later times of the Roman republic, the poorer citizens derived their ſubſiſtence. To deliver themſelves from this ſubjection to their creditors, the poorer citizens were continually calling out either for an entire abolition of debts, or for what they called New Tables; that is, for a law which ſhould entitle them to a complete acquittance, upon paying only a certain proportion of their accumulated debts. The law which reduced the coin of all denominations to a ſixth part of its former value, as it enabled them to pay their debts with a ſixth part of what they really owed, was equivalent to the moſt advantageous new tables. In order to ſatisfy the people, the rich and the great were, upon ſeveral different occaſions, obliged to conſent to laws both for aboliſhing debts, and for introducing new tables; and they probably were induced to conſent to this law, partly for the ſame reaſon, and partly that by liberating the public revenue, they might reſtore vigour to that government of which they themſelves had the principal direction. An operation of this kind would at once reduce a debt of a hundred and twenty-eight millions to twenty-one millions, three hundred and thirty-three thouſand, three hundred and thirty-three pounds, ſix ſhillings and eight-pence. In the courſe of the ſecond punic war the As was ſtill further reduced, firſt, from two ounces of copper to one ounce; and afterwards from one ounce to half an ounce; that is, to the twenty-fourth part of its original value. By combining the three Roman operations into one, a debt of a hundred and twenty-eight millions of our preſent money, might in this manner be reduced all at once to a debt of five millions, three hundred and thirty-three thouſand, three hundred and thirty-three pounds, ſix ſhillings and eight-pence. Even the enormous debt of Great Britain might in this manner ſoon be paid.

By means of ſuch expedients the coin of, I believe, all nations has been gradually reduced more and more below its original value, and the ſame nominal ſum has been gradually brought to contain a ſmaller and a ſmaller quantity of ſilver.

Nations have ſometimes, for the ſame purpoſe, adulterated the ſtandard of their coin; that is, have mixed a greater quantity of alloy in it. If in the pound weight of our ſilver coin, for example, inſtead of eighteen penny weight, according to the preſent ſtandard, there was mixed eight ounces of alloy; a pound ſterling, or twenty ſhillings of ſuch coin, would be worth little more than ſix ſhillings and eight-pence of our preſent money. The quantity of ſilver contained in ſix ſhillings and eight-pence of our preſent money, would thus be raiſed very nearly to the denomination of a pound ſterling. The adulteration of the ſtandard has exactly the ſame effect with what the French call an augmentation, or a direct raiſing of the denomination of the coin.

An augmentation, or a direct raiſing of the denomination of the coin, always is, and from its nature muſt be, an open and avowed operation. By means of it pieces of a ſmaller weight and bulk are called by the ſame name which had before been given to pieces of a greater weight and bulk. The adulteration of the ſtandard, on the contrary, has generally been a concealed operation. By means of it pieces were iſſued from the mint of the ſame denominations, and, as nearly as could be contrived, of the ſame weight, bulk, and appearance, with pieces which had been current before of much greater value. When king John of France *, in order to pay his debts, adulterated his coin, all the officers of his mint were ſworn to ſecreſy. Both operations are unjuſt. But a ſimple augmentation is an injuſtice of open violence; whereas an adulteration is an injuſtice of treacherous fraud. This latter operation, therefore, as ſoon

* See du Cange Gloſſary, voce Moneta; the Benedictine edition.

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ſoon as it has been diſcovered, and it could never be concealed very long, has always excited much greater indignation than the former. The coin, after any conſiderable augmentation, has very ſeldom been brought back to its former weight; but after the greateſt adulterations it has almoſt always been brought back to its former fineneſs. It has ſcarce ever happened that the fury and indignation of the people could otherwiſe be appeaſed.

In the end of the reign of Henry VIII. and in the beginning of that of Edward VI. the Engliſh coin was not only raiſed in its denomination, but adulterated in its ſtandard. The like frauds were practiſed in Scotland during the minority of James VI. They have occaſionally been practiſed in moſt other countries.

That the public revenue of Great Britain can ever be completely liberated, or even that any conſiderable progreſs can ever be made towards that liberation, while the ſurplus of that revenue, or what is over and above defraying the annual expence of the peace eſtabliſhment, is ſo very ſmall, it ſeems altogether in vain to expect. That liberation, it is evident, can never be brought about without either ſome very conſiderable augmentation of the public revenue, or ſome equally conſiderable reduction of the public expence.

A more equal land-tax, a more equal tax upon the rent of houſes, and ſuch alterations in the preſent ſyſtem of cuſtoms and exciſe as thoſe which have been mentioned in the foregoing chapter, might, perhaps, without increaſing the burden of the greater part of the people, but only diſtributing the weight of it more equally upon the whole, produce a conſiderable augmentation of revenue. The moſt ſanguine projector, however, could ſcarce flatter himſelf that any augmentation of this kind would be ſuch as could give any reaſonable hopes either of liberating the public revenue alto-

gether, or even of making ſuch progreſs towards that liberation in time of peace, as either to prevent or to compenſate the further accumulation of the public debt in the next war.

By extending the Britiſh ſyſtem of taxation to all the different provinces of the empire inhabited by people either of Britiſh or European extraction, a much greater augmentation of revenue might be expected. This, however, could ſcarce perhaps be done, conſiſtently with the principles of the Britiſh conſtitution, without admitting into the Britiſh parliament, or if you will into the ſtates general of the Britiſh Empire, a fair and equal repreſentation of all thoſe different provinces, that of each province bearing the ſame proportion to the produce of its taxes, as the repreſentation of Great Britain might bear to the produce of the taxes levied upon Great Britain. The private intereſt of many powerful individuals, the confirmed prejudices of great bodies of people ſeem, indeed, at preſent, to oppoſe to ſo great a change ſuch obſtacles as it may be very difficult, perhaps altogether impoſſible, to ſurmount. Without, however, pretending to determine whether ſuch a union be practicable or impracticable, it may not, perhaps, be improper, in a ſpeculative work of this kind, to conſider how far the Britiſh ſyſtem of taxation might be applicable to all the different provinces of the empire; what revenue might be expected from it if ſo applied, and in what manner a general union of this kind might be likely to affect the happineſs and proſperity of the different provinces comprehended within it. Such a ſpeculation can at worſt be regarded but as a new Utopia, leſs amuſing certainly, but not more uſeleſs and chimerical than the old one.

The land-tax, the ſtamp duties, and the different duties of cuſtoms and exciſe, conſtitute the four principal branches of the Britiſh taxes.

IRELAND is certainly as able, and our American and Weſt Indian plantations more able to pay a land-tax than Great Britain. Where the landlord is ſubject neither to tithe nor poors rate, he muſt certainly be more able to pay ſuch a tax, than where he is ſubject to both thoſe other burdens. The tithe, where there is no modus, and where it is levied in kind, diminiſhes more what would otherwiſe be the rent of the landlord, than a land-tax which really amounted to five ſhillings in the pound. Such a tithe will be found in moſt caſes to amount to more than a fourth part of the real rent of the land, or of what remains after replacing compleatly the capital of the farmer, together with his reaſonable profit. If all moduſes and all impropriations were taken away, the complete church tithe of Great Britain and Ireland, could not well be eſtimated at leſs than ſix or ſeven millions. If there was no tithe either in Great Britain or Ireland, the landlords could afford to pay ſix or ſeven millions additional land-tax, without being more burdened than a very great part of them are at preſent. America pays no tithe, and could therefore very well afford to pay a land-tax. The lands in America and the Weſt Indies, indeed, are in general not tenanted or leaſed out to farmers. They could not therefore be aſſeſſed according to any rent-roll. But neither were the lands of Great Britain, in the 4th of William and Mary, aſſeſſed according to any rent-roll, but according to a very looſe and inaccurate eſtimation. The lands in America might be aſſeſſed either in the ſame manner, or according to an equitable valuation in conſequence of an accurate ſurvey, like that which was lately made in the Milaneſe, and in the dominions of Auſtria, Pruſſia, and Sardinia.

STAMP-DUTIES, it is evident, might be levied without any variation in all countries where the forms of law proceſs, and the deeds by which property both real and perſonal is transferred, are the ſame or nearly the ſame.

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THE extenſion of the cuſtomhouſe laws of Great Britain to Ireland and the plantations, provided it was accompanied, as in juſtice it ought to be, with an extenſion of the freedom of trade, would be in the higheſt degree advantageous to both. All the invidious reſtraints which at preſent oppreſs the trade of Ireland, the diſtinction between the enumerated and non-enumerated commodities of America, would be entirely at an end. The countries north of Cape Finiſterre would be as open to every part of the produce of America, as thoſe ſouth of that cape are to ſome parts of that produce at preſent. The trade between all the different parts of the Britiſh empire would, in conſequence of this uniformity in the cuſtomhouſe laws, be as free as the coaſting trade of Great Britain is at preſent. The Britiſh empire would thus afford within itſelf an immenſe internal market for every part of the produce of all its different provinces. So great an extenſion of market would ſoon compenſate both to Ireland and the plantations, all that they could ſuffer from the increaſe of the duties of cuſtoms.

THE exciſe is the only part of the Britiſh ſyſtem of taxation, which would require to be varied in any reſpect according as it was applied to the different provinces of the empire. It might be applied to Ireland without any variation; the produce and conſumption of that kingdom being exactly of the ſame nature with thoſe of Great Britain. In its application to America and the Weſt Indies, of which the produce and conſumption are ſo very different from thoſe of Great Britain, ſome modification might be neceſſary, in the ſame manner as in its application to the cyder and beer counties of England.

A FERMENTED liquor, for example, which is called beer, but which, as it is made of melaſſes, bears very little reſemblance to our beer, makes a conſiderable part of the common drink of the people in America. This liquor, as it can be kept only for a few

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days, cannot, like our beer, be prepared and ſtored up for ſale in great breweries; but every private family muſt brew it for their own uſe, in the ſame manner as they cook their victuals. But to ſubject every private family to the odious viſits and examination of the tax gatherers, in the ſame manner as we ſubject the keepers of alehouſes and the brewers for public ſale, would be altogether inconſiſtent with liberty. If for the ſake of equality it was thought neceſſary to lay a tax upon this liquor, it might be taxed by taxing the material of which it is made, either at the place of manufacture, or, if the circumſtances of the trade rendered ſuch an exciſe improper, by laying a duty upon its importation into the colony in which it was to be conſumed. Beſides the duty of one penny a gallon impoſed by the Britiſh parliament upon the importation of melaſſes into America; there is a provincial tax of this kind upon their importation into Maſſachuſets Bay, in ſhips belonging to any other colony, of eight-pence the hogſhead; and another upon their importation, from the northern colonies, into South Carolina of five-pence the gallon. Or if neither of theſe methods was found convenient, each family might compound for its conſumption of this liquor, either according to the number of perſons of which it conſiſted, in the ſame manner as private families compound for the malt-tax in England; or according to the different ages and ſexes of thoſe perſons, in the ſame manner as ſeveral different taxes are levied in Holland; or nearly as Sir Mathew Decker propoſes that all taxes upon conſumable commodities ſhould be levied in England. This mode of taxation, it has already been obſerved, when applied to objects of a ſpeedy conſumption, is not a very convenient one. It might be adopted, however, in caſes where no better could be done.

SUGAR, rum, and tobacco, are commodities which are nowhere neceſſaries of life, which are become objects of almoſt univerſal conſumption, and which are therefore extreamly proper ſubjects

jects of taxation. If a union with the colonies was to take place, thoſe commodities might be taxed either before they go out of the hands of the manufacturer or grower; or if this mode of taxation did not ſuit the circumſtances of thoſe perſons, they might be depoſited in public warehouſes both at the place of manufacture, and at all the different ports of the empire to which they might afterwards be tranſported, to remain there, under the joint cuſtody of the owner and the revenue officer, till ſuch time as they ſhould be delivered out either to the conſumer, to the merchant retailer for home conſumption, or to the merchant exporter; the tax not to be advanced till ſuch delivery. When delivered out for exportation, to go duty free; upon proper ſecurity being given that they ſhould really be exported out of the empire. Theſe are perhaps the principal commodities with regard to which a union with the colonies might require ſome conſiderable change in the preſent ſyſtem of Britiſh taxation.

What might be the amount of the revenue which this ſyſtem of taxation extended to all the different provinces of the empire might produce, it muſt, no doubt, be altogether impoſſible to aſcertain with tolerable exactneſs. By means of this ſyſtem there is annually levied in Great Britain, upon leſs than eight millions of people, more than ten millions of revenue. Ireland contains more than two millions of people, and according to the accounts laid before the congreſs, the twelve aſſociated provinces of America contain more than three. Thoſe accounts, however, may have been exaggerated, in order, perhaps, either to encourage their own people, or to intimidate thoſe of this country, and we ſhall ſuppoſe therefore that our North American and Weſt Indian colonies taken together contain no more than three millions; or that the whole Britiſh empire, in Europe and America, contains no more than thirteen millions of inhabitants. If upon leſs than eight

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eight millions of inhabitants this ſyſtem of taxation raiſes a revenue of more than ten millions ſterling; it ought upon thirteen millions of inhabitants to raiſe a revenue of more than ſixteen millions two hundred and fifty thouſand pounds ſterling. From this revenue, ſuppoſing that this ſyſtem could produce it, muſt be deducted, the revenue uſually raiſed in Ireland and the plantations for defraying the expence of their reſpective civil governments. The expence of the civil and military eſtabliſhment of Ireland, together with the intereſt of the public debt, amounts at a medium of the two years which ended March, 1775, to ſomething leſs than ſeven hundred and fifty thouſand pounds a year. By a very exact account of the revenue of the principal colonies of America and the Weſt Indies, it amounted, before the commencement of the late diſturbances, to a hundred and forty-one thouſand eight hundred pounds. In this account, however, the revenue of Maryland, of North Carolina, and of all our late acquiſitions both upon the continent and in the iſlands, is omitted, which may perhaps make a difference of thirty or forty thouſand pounds. For the ſake of even numbers therefore, let us ſuppoſe that the revenue neceſſary for ſupporting the civil government of Ireland, and the plantations, may amount to a million. There would remain conſequently a revenue of fifteen millions two hundred and fifty thouſand pounds, to be applied towards defraying the general expence of the empire, and towards paying the public debt. But if from the preſent revenue of Great Britain a million could in peaceable times be ſpared towards the payment of that debt, ſix millions two hundred and fifty thouſand pounds could very well be ſpared from this improved revenue. This great ſinking fund too might be augmented every year by the intereſt of the debt which had been diſcharged the year before, and might in this manner increaſe ſo very rapidly, as to be ſufficient in a few years to diſcharge the whole debt, and thus to reſtore compleatly the at preſent debilitated and languiſhing vigour of the empire.

In the meantime the people might be relieved from ſome of the moſt burdenſome taxes; from thoſe which are impoſed either upon the neceſſaries of life, or upon the materials of manufacture. The labouring poor would thus be enabled to live better, to work cheaper, and to ſend their goods cheaper to market. The cheapneſs of their goods would increaſe the demand for them, and conſequently for the labour of thoſe who produced them. This increaſe in the demand for labour, would both increaſe the numbers and improve the circumſtances of the labouring poor. Their conſumption would increaſe, and together with it the revenue ariſing from all thoſe articles of their conſumption upon which the taxes might be allowed to remain.

The revenue ariſing from this ſyſtem of taxation, however, might not immediately increaſe in proportion to the number of people who were ſubjected to it. Great indulgence would for ſome time be due to thoſe provinces of the empire which were thus ſubjected to burthens to which they had not before been accuſtomed, and even when the ſame taxes came to be levied every where as exactly as poſſible, they would not every where produce a revenue proportioned to the numbers of the people. In a poor country the conſumption of the principal commodities ſubject to the duties of cuſtoms and exciſe is very ſmall; and in a thinly inhabited country the opportunities of ſmuggling are very great. The conſumption of malt liquors among the inferior ranks of people in Scotland is very ſmall, and the exciſe upon malt, beer, and ale, produces leſs there than in England in proportion to the numbers of the people and the rate of the duties, which upon malt is different on account of a ſuppoſed difference of quality. In theſe particular branches of the exciſe there is not, I apprehend, much more ſmuggling in the one country than in the other. The duties upon the diſtillery, and the greater part of the duties of cuſtoms,

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in proportion to the numbers of people in the reſpective countries, produce leſs in Scotland than in England, not only on account of the ſmaller conſumption of the taxed commodities, but of the much greater facility of ſmuggling. In Ireland, the inferior ranks of people are ſtill poorer than in Scotland, and many parts of the country are almoſt as thinly inhabited. In Ireland, therefore, the conſumption of the taxed commodities might, in proportion to the number of the people, be ſtill leſs than in Scotland, and the facility of ſmuggling nearly the ſame. In America and the Weſt Indies the white people even of the loweſt rank are in much better circumſtances than thoſe of the ſame rank in England, and their conſumption of all the luxuries in which they uſually indulge themſelves is probably much greater. The blacks, indeed, who make the greater part of the inhabitants both of the ſouthern colonies upon the continent and of the Weſt Indian iſlands, as they are in a ſtate of ſlavery, are, no doubt, in a worſe condition than the pooreſt people either in Scotland or Ireland. We muſt not, however, upon that account, imagine that they are worſe fed, or that their conſumption of articles which might be ſubjected to moderate duties, is leſs than that even of the lower ranks of people in England. In order that they may work well, it is the intereſt of their maſter that they ſhould be fed well and kept in good heart, in the ſame manner as it is his intereſt that his working cattle ſhould be ſo. The blacks accordingly have almoſt every where their allowance of rum and of melaſſes or ſpruce beer, in the ſame manner as the white ſervants; and this allowance would not probably be withdrawn, though thoſe articles ſhould be ſubjected to moderate duties. The conſumption of the taxed commodities, therefore, in proportion to the number of inhabitants, would probably be as great in America and the Weſt Indies as in any part of the Britiſh empire. The opportunities of ſmuggling, indeed, would be much greater; America, in proportion to the extent

extent of the country, being much more thinly inhabited than either Scotland or Ireland. If the revenue, however, which is at preſent raiſed by the different duties upon malt and malt liquors, was to be levied by a ſingle duty upon malt, the opportunity of ſmuggling in the moſt important branch of the exciſe would be almoſt entirely taken away: And if the duties of cuſtoms, inſtead of being impoſed upon almoſt all the different articles of importation, were confined to a few of the moſt general uſe and conſumption, and if the levying of thoſe duties was ſubjected to the exciſe laws, the opportunity of ſmuggling, though not ſo entirely taken away, would be very much diminiſhed. In conſequence of thoſe two, apparently, very ſimple and eaſy alterations, the duties of cuſtoms and exciſe might probably produce a revenue as great in proportion to the conſumption of the moſt thinly inhabited province as they do at preſent in proportion to that of the moſt populous.

The Americans, it has been ſaid, indeed, have no gold or ſilver money; the interior commerce of the country being carried on by a paper currency, and the gold and ſilver which occaſionally come among them being all ſent to Great Britain in return for the commodities which they receive from us. But without gold and ſilver, it is added, there is no poſſibility of paying taxes. We already get all the gold and ſilver which they have. How is it poſſible to draw from them what they have not?

The preſent ſcarcity of gold and ſilver money in America is not the effect of the poverty of that country, or of the inability of the people there to purchaſe thoſe metals. In a country where the wages of labour are ſo much higher, and the price of proviſions ſo much lower than in England, the greater part of the people muſt ſurely have wherewithal to purchaſe a greater quantity,

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if it was either neceſſary or convenient for them to do ſo. The ſcarcity of thoſe metals, therefore, muſt be the effect of choice, and not of neceſſity.

It is for tranſacting either domeſtic or foreign buſineſs, that gold and ſilver money is either neceſſary or convenient.

The domeſtic buſineſs of every country, it has been ſhewn in the ſecond book of this inquiry, may, at leaſt in peaceable times, be tranſacted by means of a paper currency, with nearly the ſame degree of conveniency as by gold and ſilver money. It is convenient for the Americans, who could always employ with profit in the improvement of their lands a greater ſtock than they can eaſily get, to ſave as much as poſſible the expence of ſo coſtly an inſtrument of commerce as gold and ſilver, and rather to employ that part of their ſurplus produce which would be neceſſary for purchaſing thoſe metals, in purchaſing the inſtruments of trade, the materials of cloathing, ſeveral parts of houſhold furniture, and the iron-work neceſſary for building and extending their ſettlements and plantations; in purchaſing, not dead ſtock, but active and productive ſtock. The colony governments find it for their intereſt to ſupply people with ſuch a quantity of paper-money as is fully ſufficient and generally more than ſufficient for tranſacting their domeſtic buſineſs. Some of thoſe governments, that of Penſylvania particularly, derive a revenue from lending this paper-money to their ſubjects at an intereſt of ſo much per cent. Others, like that of Maſſachuſet's Bay, advance upon extraordinary emergencies a paper-money of this kind for defraying the public expence, and afterwards, when it ſuits the conveniency of the colony, redeem it at the depreciated value to which it gradually falls. In 1747 * that colony paid, in this manner, the greater part of its public debts, with the tenth part of the

* See Hutchinſon's Hiſtory of Maſſachuſet's Bay, Vol. II. Page 436. & ſeq.

the money for which its bills had been granted. It ſuits the conveniency of the planters to ſave the expence of employing gold and ſilver money in their domeſtic tranſactions; and it ſuits the conveniency of the colony governments to ſupply them with a medium, which, though attended with ſome very conſiderable diſadvantages, enables them to ſave that expence. The redundancy of paper money neceſſarily baniſhes gold and ſilver from the domeſtic tranſactions of the colonies, for the ſame reaſon that it has baniſhed thoſe metals from the greater part of the domeſtic tranſactions of Scotland; and in both countries it is not the poverty, but the enterpriſing and projecting ſpirit of the people, their deſire of employing all the ſtock which they can get as active and productive ſtock, which has occaſioned this redundancy of paper money.

In the exterior commerce which the different colonies carry on with Great Britain, gold and ſilver are more or leſs employed, exactly in proportion as they are more or leſs neceſſary. Where thoſe metals are not neceſſary, they ſeldom appear. Where they are neceſſary, they are generally found.

In the commerce between Great Britain and the tobacco colonies, the Britiſh goods are generally advanced to the coloniſts at a pretty long credit, and are afterwards paid for in tobacco, rated at a certain price. It is more convenient for the coloniſts to pay in tobacco than in gold and ſilver. It would be more convenient for any merchant to pay for the goods which his correſpondents had ſold to him in ſome other ſort of goods which he might happen to deal in, than in money. Such a merchant would have no occaſion to keep any part of his ſtock by him unemployed, and in ready money, for anſwering occaſional demands. He could have, at all times, a larger quantity of goods in his ſhop or warehouſe, and he could deal to a greater extent. But it ſeldom happens to be con-

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venient for all the correſpondents of a merchant to receive payment for the goods which they ſell to him, in goods of ſome other kind which he happens to deal in. The Britiſh merchants who trade to Virginia and Maryland happen to be a particular ſett of correſpondents, to whom it is more convenient to receive payment for the goods which they ſell to thoſe colonies in tobacco than in gold and ſilver. They expect to make a profit by the ſale of the tobacco. They could make none by that of the gold and ſilver. Gold and ſilver, therefore, very ſeldom appear in the commerce between Great Britain and the tobacco colonies. Maryland and Virginia have as little occaſion for thoſe metals in their foreign as in their domeſtic commerce. They are ſaid, accordingly, to have leſs gold and ſilver money than any other colonies in America. They are reckoned, however, as thriving, and conſequently as rich as any of their neighbours.

In the northern colonies, Penſylvania, New York, New Jerſey, the four governments of New England, &c. the value of their own produce which they export to Great Britain is not equal to that of the manufactures which they import for their own uſe, and for that of ſome of the other colonies to which they are the carriers. A balance, therefore, muſt be paid to the mother country in gold and ſilver, and this balance they generally find.

In the ſugar colonies the value of the produce annually exported to Great Britain is much greater than that of all the goods imported from thence. If the ſugar and rum annually ſent to the mother country were paid for in thoſe colonies, Great Britain would be obliged to ſend out every year a very large balance in money, and the trade to the Weſt Indies would, by a certain ſpecies of politicians, be conſidered as extremely diſadvantageous. But it ſo happens, that many of the principal proprietors of the ſugar plantations reſide in Great Britain. Their rents are remitted to them in ſugar

ſugar and rum, the produce of their eſtates. The ſugar and rum which the Weſt India merchants purchaſe in thoſe colonies upon their own account, are not equal in value to the goods which they annually ſell there. A balance, therefore, muſt generally be paid to them in gold and ſilver, and this balance too is generally found.

The difficulty and irregularity of payment from the different colonies to Great Britain, have not been at all in proportion to the greatneſs or ſmallneſs of the balances which were reſpectively due from them. Payments have in general been more regular from the northern than from the tobacco colonies, though the former have generally paid a pretty large balance in money, while the latter have paid either no balance, or a much ſmaller one. The difficulty of getting payment from our different ſugar colonies has been greater or leſs in proportion, not ſo much to the extent of the balances reſpectively due from them, as to the quantity of uncultivated land which they contained; that is, to the greater or ſmaller temptation which the planters have been under of over-trading, or of undertaking the ſettlement and plantation of greater quantities of waſte land than ſuited the extent of their capitals. The returns from the great iſland of Jamaica, where there is ſtill much uncultivated land, have, upon this account, been in general more irregular and uncertain than thoſe from the ſmaller iſlands of Barbadoes, Antigua, and St. Chriſtophers, which have for theſe many years been completely cultivated, and have, upon that account, afforded leſs field for the ſpeculations of the planter. The new acquiſitions of Grenada, Tobago, St. Vincents, and Dominica, have opened a new field for ſpeculations of this kind; and the returns from thoſe iſlands have of late been as irregular and uncertain as thoſe from the great iſland of Jamaica.

It is not, therefore, the poverty of the colonies which occaſions, in the greater part of them, the preſent ſcarcity of gold and ſilver money.

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money. Their great demand for active and productive ſtock makes it convenient for them to have as little dead ſtock as poſſible; and diſpoſes them upon that account to content themſelves with a cheaper, though leſs commodious inſtrument of commerce than gold and ſilver. They are thereby enabled to convert the value of that gold and ſilver into the inſtruments of trade, into the materials of cloathing, into houſhold furniture, and into the iron work neceſſary for building and extending their ſettlements and plantations. In thoſe branches of buſineſs which cannot be tranſacted without gold and ſilver money, it appears that they can always find the neceſſary quantity of thoſe metals; and if they frequently do not find it, their failure is generally the effect, not of their neceſſary poverty, but of their unneceſſary and exceſſive enterprize. It is not becauſe they are poor that their payments are irregular and uncertain; but becauſe they are too eager to become exceſſively rich. Though all that part of the produce of the colony taxes, which was over and above what was neceſſary for defraying the expence of their own civil and military eſtabliſhments, were to be remitted to Great Britain in gold and ſilver, the colonies have abundantly wherewithal to purchaſe the requiſite quantity of thoſe metals. They would in this caſe be obliged, indeed, to exchange a part of their ſurplus produce, with which they now purchaſe active and productive ſtock, for dead ſtock. In tranſacting their domeſtic buſineſs they would be obliged to employ a coſtly inſtead of a cheap inſtrument of commerce; and the expence of purchaſing this coſtly inſtrument might damp ſomewhat the vivacity and ardour of their exceſſive enterprize in the improvement of land. It might not, however, be neceſſary to remit any part of the American revenue in gold and ſilver. It might be remitted in bills drawn upon and accepted by particular merchants or companies in Great Britain, to whom a part of the ſurplus produce of America had been conſigned, who would pay into the treaſury the American revenue in money, after having themſelves received

the value of it in goods; and the whole buſineſs might frequently be tranſacted without exporting a ſingle ounce of gold and ſilver from America.

It is not contrary to juſtice that both Ireland and America ſhould contribute towards the diſcharge of the public debt of Great Britain. That debt has been contracted in ſupport of the government eſtabliſhed by the revolution, a government to which the proteſtants of Ireland owe, not only the whole authority which they at preſent enjoy in their own country, but every ſecurity which they poſſeſs for their liberty, their property, and their religion; a government to which ſeveral of the colonies of America owe their preſent charters, and conſequently their preſent conſtitution, and to which all the colonies of America owe the liberty, ſecurity, and property, which they have ever ſince enjoyed. That public debt has been contracted in the defence, not of Great Britain alone, but of all the different provinces of the empire; the immenſe debt contracted in the late war in particular, and a great part of that contracted in the war before, were both properly contracted in defence of America.

By a union with Great Britain, Ireland would gain, beſides the freedom of trade, other advantages much more important, and which would much more than compenſate any increaſe of taxes that might accompany that union. By the union with England, the middling and inferior ranks of people in Scotland gained a complete deliverance from the power of an ariſtocracy which had always before oppreſſed them. By a union with Great Britain the greater part of the people of all ranks in Ireland would gain an equally complete deliverance from a much more oppreſſive ariſtocracy; an ariſtocracy not founded, like that of Scotland, in the natural and reſpectable diſtinctions of birth and fortune; but in the

the moſt odious of all diſtinctions, thoſe of religious and political prejudices; diſtinctions which more than any other animate both the inſolence of the oppreſſors and the hatred and indignation of the oppreſſed, and which commonly render the inhabitants of the ſame country more hoſtile to one another than thoſe of different countries ever are. Without a union with Great Britain, the inhabitants of Ireland are not likely for many ages to conſider themſelves as one people.

No oppreſſive ariſtocracy has ever prevailed in the colonies. Even they, however, would, in point of happineſs and tranquillity, gain conſiderably by a union with Great Britain. It would, at leaſt, deliver them from thoſe rancorous and virulent factions which are inſeparable from ſmall democracies, and which have ſo frequently divided the affections of their people, and diſturbed the tranquillity of their governments, in their form ſo nearly democratical. In the caſe of a total ſeparation from Great Britain, which, unleſs prevented by a union of this kind, ſeems very likely to take place, thoſe factions would be ten times more virulent than ever. Before the commencement of the preſent diſturbances, the coercive power of the mother country had always been able to reſtrain thoſe factions from breaking out into any thing worſe than groſs brutality and inſult. If that coercive power was entirely taken away, they would probably ſoon break out into open violence and bloodſhed. In all great countries which are united under one uniform government, the ſpirit of party commonly prevails leſs in the remote provinces, than in the center of the empire. The diſtance of thoſe provinces from the capital, from the principal ſeat of the great ſcramble of faction and ambition, makes them enter leſs into the views of any of the contending parties, and renders them more indifferent and impartial ſpectators of the conduct of all. The ſpirit of party prevails leſs in Scotland than in England.

In

In the caſe of a union it would probably prevail leſs in Ireland than in Scotland, and the colonies would probably ſoon enjoy a degree of concord and unanimity at preſent unknown in any part of the Britiſh empire. Both Ireland and the colonies, indeed, would be ſubjected to heavier taxes than any which they at preſent pay. In conſequence, however, of a diligent and faithful application of the public revenue towards the diſcharge of the national debt, the greater part of thoſe taxes might not be of long continuance, and the public revenue of Great Britain might ſoon be reduced to what was neceſſary for maintaining a moderate peace eſtabliſhment.

The territorial acquiſitions of the Eaſt India company, the undoubted right of the crown, that is, of the ſtate and people of Great Britain, might be rendered another ſource of revenue more abundant perhaps than all thoſe already mentioned. Thoſe countries are repreſented as more fertile, more extenſive; and in proportion to their extent much richer and more populous than Great Britain. In order to draw a great revenue from them, it would not probably be neceſſary to introduce any new ſyſtem of taxation into countries which are already ſufficiently and more than ſufficiently taxed. It might perhaps be more proper to lighten than to aggravate the burden of thoſe unfortunate countries, and to endeavour to draw a revenue from them, not by impoſing new taxes, but by preventing the embezzlement and miſapplication of the greater part of thoſe which they already pay.

If it ſhould be found impracticable for Great Britain to draw any conſiderable augmentation of revenue from any of the reſources above-mentioned; the only reſource which can remain to her is a diminution of her expence. In the mode of collecting and in that of expending the public revenue; though in both there

BOOK V.

there may be ſtill room for improvement; Great Britain ſeems to be at leaſt as oeconomical as any of her neighbours. The military eſtabliſhment which ſhe maintains for her own defence in time of peace, is more moderate than that of any European ſtate which can pretend to rival her either in wealth or in power. None of thoſe articles, therefore, ſeem to admit of any conſiderable reduction of expence. The expence of the peace eſtabliſhment of the colonies was, before the commencement of the preſent diſturbances, very conſiderable, and is an expence which may, and if no revenue can be drawn from them, ought certainly to be ſaved altogether. This conſtant expence in time of peace, though very great, is inſignificant in compariſon with what the defence of the colonies has coſt us in time of war. The laſt war, which was undertaken altogether on account of the colonies, coſt Great Britain, it has already been obſerved, upwards of ninety millions. The Spaniſh war of 1739 was principally undertaken on their account; in which, and in the French war that was the conſequence of it, Great Britain ſpent upwards of forty millions, a great part of which ought juſtly to be charged to the colonies. In thoſe two wars the colonies coſt Great Britain much more than double the ſum which the national debt amounted to before the commencement of the firſt of them. Had it not been for thoſe wars that debt might, and probably would by this time have been compleatly paid; and had it not been for the colonies, the former of thoſe wars might not, and the latter certainly would not have been undertaken. It was becauſe the colonies were ſuppoſed to be provinces of the Britiſh empire, that this expence was laid out upon them. But countries which contribute neither revenue nor military force towards the ſupport of the empire, cannot be conſidered as provinces. They may perhaps be conſidered as appendages, as a ſort of ſplendid and ſhowy equipage of the empire. But if the

empire

empire can no longer ſupport the expence of keeping up this equipage, it ought certainly to lay it down; and if it cannot raiſe its revenue in proportion to its expence, it ought, at leaſt, to accommodate its expence to its revenue. If the colonies, notwithſtanding their refuſal to ſubmit to Britiſh taxes, are ſtill to be conſidered as provinces of the Britiſh empire, their defence in ſome future war may coſt Great Britain as great an expence as it ever has done in any former war. The rulers of Great Britain have for more than a century paſt amuſed the people with the imagination that they poſſeſſed a great empire on the weſt ſide of the Atlantic. This empire, however, has hitherto exiſted in imagination only. It has hitherto been, not an empire, but the project of an empire; not a gold mine, but the project of a gold mine; a project which has coſt, which continues to coſt, and which if purſued in the ſame way as it has been hitherto, is likely to coſt immenſe expence, without being likely to bring any profit; for the effects of the monopoly of the colony trade, it has been ſhewn, are, to the great body of the people, mere loſs inſtead of profit. It is ſurely now time that our rulers ſhould either realize this golden dream, in which they have been indulging themſelves, perhaps, as well as the people; or, that they ſhould awake from it themſelves, and endeavour to awaken the people. If the project cannot be compleated, it ought to be given up. If any of the provinces of the Britiſh empire cannot be made to contribute towards the ſupport of the whole empire, it is ſurely time that Great Britain ſhould free herſelf from the expence of defending thoſe provinces in time of war, and of ſupporting any part of their civil or military eſtabliſhments in time of peace, and endeavour to accommodate her future views and deſigns to the real mediocrity of her circumſtances.

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